

EMBARGOED

New Fare Discounts for Transit Riders in New York City

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Transportation Alternatives

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EXECUTIVE SUMMARY

This report takes a new look at the current subway and bus fare in New York City. It is the first in-depth public report on fare issues since adoption of fare discounts and passes from 1997 to 1999. The report recommends improvements to the current fare structure that, if implemented by the Metropolitan Transportation Authority (MTA), will:

- Increase transit ridership
- Increase use of unlimited ride passes
- Improve the convenience and ease of use of the subway and bus system, and
- Make fare discounts more accessible to low-income riders.

We estimate that this package of improvements can be implemented without reducing fare revenues for the transit system.

Our recommendations are based on findings from a telephone survey of 805 New York City subway and bus riders, conducted in September 2002. Riders expressed interest in several new types of MetroCards and new MetroCard features. Currently, subway and bus riders can buy unlimited ride MetroCards good for one day (for \$4), seven consecutive days (for \$17) or 30 consecutive days (for \$63.) Riders can also receive a 10% bonus for purchases of \$15 or more on pay-per-ride MetroCards, paying \$15 for 11 trips. Riders can transfer for free between subways and buses (and between different bus routes) within a 2 hour, 18 minute period of the start of the trip.

The survey findings lead to the following recommendations for improving the subway and bus fare:

- 1) ***Offer a 5-day “flexible” unlimited ride pass for \$16 that can be used on nonconsecutive days.*** Sixty-three percent of riders in the survey said that a flexible multi-day pass would be a “major improvement” for them personally and 40% said it would be the most important of several alternatives offered to them. The survey found three inter-related reasons that riders buy a regular per-ride MetroCard instead of a 7-day pass: being able to use a regular MetroCard for longer than a week, not being sure how much you’ll travel in the next week, and not traveling enough for the 7-day card to be a good purchase.

The MTA should offer a 5-day unlimited ride MetroCard at a cost of \$16 that could be used on any five days, not necessarily consecutive days. Unlike current passes that can be used only for seven or 30 *consecutive* days, riders could choose which days to use a flexible pass. For example, a rider could use a flexible pass on Monday, Tuesday and Wednesday of one week, not use it for two days they were sick and stayed home, and use it again on Saturday and then again on Monday – for a total of five *nonconsecutive* days. Transit riders could thus purchase this 5-day flexible pass without worrying that they may “lose” days that they do not travel by subway or bus, as is the case with the current 7-day and 30-day passes.

- 2) ***Replace lost or stolen 30-day unlimited ride MetroCards.*** Fear of losing or misplacing the 30-day card is the biggest deterrent to its use. Two-thirds (67%) of 7-day pass users in the survey said that the possibility of losing a 30-day pass is a “very important” reason for buying a 7-day pass instead of a 30-day pass. The MTA currently offers a replacement program for seniors and disabled transit customers who pay half fare. The replacement feature should be offered to all 30-day pass users and thus boost the attractiveness of the 30-day pass.
- 3) ***Offer a bi-weekly unlimited ride pass good for 14 days for \$31.50.*** Nearly one-half (45%) of lower-income riders surveyed who use a 7-day pass said the cost of a 30-day card is a “very important” reason for not buying a 30-day pass. Cost contributes to the fact that only one in nine low-income pass users purchase 30-day passes compared with two in three upper-income pass users. A bi-weekly pass priced at \$31.50, one-half the cost of the monthly pass, should be offered to make the savings of the monthly pass more accessible to these lower-income riders.
- 4) ***Reduce the \$1.50 base fare to \$1.40 by eliminating the 10% bonus on MetroCard purchases of \$15 or more.*** Survey results show that the bonus is inequitable, purchased primarily by middle and upper-income riders. While 13% of low-income riders (household incomes under \$25,000) purchase bonus MetroCards, 30% of riders with household incomes between \$50,000 and \$75,000 and 39% of riders with incomes over \$75,000 purchase bonus MetroCards. The bonus should be eliminated and the resulting revenue should be plowed back to reduce the fare for all per-ride MetroCard purchases to \$1.40. This change would benefit lower-income riders and produce a more equitable fare structure.
- 5) ***Aggressively promote “TransitChek.”*** State, city and transit officials should commit themselves to increasing the number of employers participating in “TransitChek.” This program can save workers \$400 or more a year in income taxes, with the federal government footing much of the bill for commuting costs. Unfortunately, a large majority of employees are not able to take advantage of this money saving program. Only 23% of employed survey respondents say their employer offers TransitChek. MTA, City and State officials should commit to enrolling more private employers so that by 2004, 50% of employees in New York City can avail themselves of TransitChek benefits.

Implementation of these five recommendations offers the following benefits:

- **Greater convenience** and ease of use of the subway and bus system.
- **Increased ridership** as more riders use unlimited ride passes with introduction of the flexible multi-day and bi-weekly passes and increased purchases of 30-day passes.
- **A more equitable fare structure**, in which lower-income transit riders will more fully benefit from fare incentives than is now the case. Currently, lower-

income riders are more likely to pay the full \$1.50 fare than upper-income riders – 41% for riders with household incomes under \$25,000 compared with 21% of those with household incomes over \$50,000. With these recommendations in place, we estimate 57% of all riders and 59% of low-income riders would benefit through use of the expanded array of passes or through elimination of the bonus, producing a more equitable fare system.

- **No reduction in revenue to the MTA.** A preliminary financial analysis finds that this package of changes to the fare system can be implemented without reducing fare revenues to the MTA. The recommended changes reduce fare-related barriers to using transit and thus encourage greater ridership of the subway and bus. Thus, although some customers will save money (costing the MTA revenues), this revenue impact will be offset by other riders who will be attracted to purchase more convenient transit.

The MTA should work in collaboration with the advocacy groups that sponsored this study to further assess revenue impacts and adjust details of these recommendations if necessary.

The table below shows the current fare system and recommended changes.

Current and Proposed Fare Structure

Current	Proposed
\$1.50 fare for tokens, cash on buses and MetroCard purchases under \$15	Reduce fare to \$1.40 for MetroCard purchases under \$15. Eventually, standardize fare for MetroCard, tokens and cash
10% bonus for MetroCard purchases of \$15 or more	Eliminate bonus and reduce the base fare to \$1.40
7-day pass costing \$17; cannot be replaced if lost/stolen	No change
30-day pass costing \$63; cannot be replaced if lost/stolen	Offer replacement if card is lost/stolen
One-day pass costing \$4; cannot be replaced if lost/stolen	No change
Not currently offered	Offer 5-day flexible pass, usable on nonconsecutive days, costing \$16
Not currently offered	Offer bi-weekly pass, good for 14 consecutive days, costing \$31.50

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I. INTRODUCTION

Free transfers, the first of the MetroCard fare discounts, were implemented more than five years ago, in July 1997. Nearly four years have passed since the last of the discounts – the one-day unlimited ride “fun” pass – was introduced. The new fare offerings spurred an unprecedented increase in transit ridership in New York City, which led the nation in the revival of transit as a growth industry. New Yorkers from nearly all walks of life have changed how they move about the city because of the availability of unlimited ride passes and free transfers between buses and the subway. Many riders have saved money and gained greater mobility.

While New Yorkers recognize and enjoy the benefits of the new fare structure, there has been virtually no public discussion as to whether or how the current fare should be changed, with the exception of the growing and important debate over a possible fare increase in coming months.

This report takes a new look at the current subway and bus fare in New York City. The premise of this study is that the *current fare structure*¹ might be amenable to *improvements* that would benefit riders, the city and the transit system, whether or not a fare increase takes place.

The following criteria are used to evaluate whether a given change in the fare structure would be an “*improvement*.”

- (1) Ridership: Does a given change promote use of the transit system?
- (2) Equity: How does the fare affect riders across income groups?
- (3) Revenue: How would the change affect fare revenues received by the MTA?

Charging a fare by its nature creates a barrier to using transit. The MetroCard fare incentives have reduced the barriers through discounts, free transfers and the convenience of a pre-paid card with magnetic stripe. Additional changes to the fare structure could further reduce barriers that discourage the use of transit and ease the financial burden on lower-income riders.

This study has the following objectives:

- Profile how riders currently pay their fares.

¹ “Fare structure” as used in this report refers to all the elements of what is formally called the tariff. “Fare structure” includes most obviously the current price charged for tokens, cash payment on buses, per-ride MetroCards and unlimited ride MetroCards. Fare structure also includes the terms and conditions of each type of fare payment, i.e., transfer policy, refunds, expiration dates, etc. Terms and conditions differ significantly by type of fare payment. Riders paying the bus fare in cash, for example, cannot transfer to the subway without paying an additional fare, while MetroCard users can. The value on a regular per-ride MetroCard is used up only when the card is used, whereas the unlimited ride passes expire after one, seven or 30 days.

- **Identify barriers to use of the unlimited ride passes.**
- **Explore the potential of possible improvements to the fare structure to enhance the attractiveness of transit, increase bus and subway ridership and improve the equity of the fare system.**
- **Assess whether desirable improvements are budgetarily feasible.**

II. METHODOLOGY

The core of this study is a telephone survey of 805 New York City residents who used the subway and/or bus within the past month. The survey was conducted in mid-September 2002 using random digit dialing (RDD) methodology. Quotas were employed to ensure that a cross-section of New Yorkers were surveyed based on borough of residence and gender. The survey consisted of 73 questions and lasted an average of 17 minutes.

The requirement that respondents have used the bus or subway in the past month eliminated 29% of those initially called. The survey thus represents a cross-section of the 71% of New York City residents who used transit within the past month. This group accounts for the large majority of subway and bus ridership in New York City. They rely on transit for work, school and personal trips, as shown in the first two tables in the Appendix.

The margin of error for the survey is shown in the table below, both for the entire sample and segments of the sample, at a 95% confidence level.

	Margin of Error* (in pct. points)			
	Base:	805	250	100
10%		2.1%	3.7%	5.9%
25%		3.0%	5.4%	8.5%
50%		3.5%	6.2%	9.8%
75%		3.0%	5.4%	8.5%
90%		2.1%	3.7%	5.9%

Example: If 25% give a particular answer for a question asked of the full sample, the margin of error is plus or minus 3.0 percentage points, or 25% +/-3.0%. Similarly, the margin of error is 5.4 percentage points for a question asked of 250 respondents and 8.5 percentage points for a question asked of 100 respondents.

Survey results are augmented by information from several other sources:

- Focus groups conducted with New York City and suburban transit users conducted by Schaller Consulting for the Transit Workers Union Local 100. Four focus groups were conducted with riders who live in New York City and two groups with Metro-North and Long Island Rail Road customers who use transit to complete their journey to work. The focus groups were conducted in late August 2002 and covered a variety of fare-related issues. Information from these groups was valuable in drafting the telephone survey. Focus group results related to topics covered in the telephone survey are summarized in this report to help interpret survey results.
- Ridership and MetroCard usage data supplied by the MTA and New York City Transit.

- Information on fares gathered from selected other transit properties.

* * *

This report was prepared by Bruce Schaller, Principal of Schaller Consulting. The telephone survey was conducted by Innovative Concepts, Inc., a survey research firm based on Long Island. Research assistance was provided by Alexander Cohen, Graduate Assistant.

Gene Russianoff, staff attorney for the NYPIRG Straphangers Campaign, oversaw the project and provided valuable guidance and support throughout.

This project was made possible by the generous support of the J.M. Kaplan Fund.

III. BACKGROUND ON METROCARD FARE INCENTIVES

MetroCards – plastic magnetically coded swipe cards – were first introduced on a pilot basis in the early 1990s. Initial public reception of the cards was tepid. At that time, MetroCards could be used only at select subway stations where new turnstiles had been installed and on a limited number of buses. They offered no discounts. Even after all subway station turnstiles were upgraded and new fare boxes were installed in all buses, only 18% of trips were taken using MetroCards (spring of 1997).

Transit customers embraced MetroCard, however, once fare incentives were introduced beginning in July 1997, as follows:

- *Free transfers between bus and subway and a liberalized transfer policy with only a few limits on transfers between buses, introduced in July 1997. Riders could transfer between bus and subway, or between almost any bus lines, within two hours of first boarding the bus or entering the subway.*
- *Bonus MetroCards on purchases of \$15 or more, introduced in January 1998. Riders buying a \$15 MetroCard receive \$16.50 on their card – 11 rides instead of 10. On purchases of over \$15, 10% is added to the card, e.g., \$2 on a \$20 purchase. The bonus applies to purchases of new MetroCards as well as adding value to an existing card.*
- *7-day and 30-day unlimited ride passes, priced at \$17 and \$63 respectively, introduced in July 1998. In addition, the 30-day Express Bus Plus MetroCard was introduced, costing \$120. The 7-day and 30-day periods begin after first use of the card and continue until midnight of the seventh or thirtieth day. The passes offer unlimited rides on New York City Transit’s subways and buses as well as private local buses operated primarily in Queens and the Bronx. The passes can only be used by one person at a time but can be shared at different times of the day. Each of these was valid for unlimited rides over the designated period from the day of first use.*
- *One-day “fun passes,” priced at \$4, introduced in January 1999. The one-day pass can be used for unlimited rides until 3 a.m. the day after it is activated. Originally available only at stores outside the subway system that sell MetroCards, the one-day pass can now also be bought at MetroCard vending machines in subway stations.*

Additional features have been offered to targeted customer segments since introduction of the one-day pass.

- *Riders employed by companies enrolled in the TransitChek program can subscribe to a “premium MetroCard” service and receive a pass they can use for a year. They pay \$63 a month through monthly pre-tax payroll deductions; as a result they save 25% or more of the cost of the pass.*

- Reduced-fare riders (seniors and disabled) can obtain a MetroCard with photo identification showing they are entitled to the reduced fare. Payments can automatically be deducted from a credit/debit card or bank account. The card can be replaced if it is lost or stolen. Customers can report a lost or stolen card by phone and the card is deactivated to protect the user from unauthorized charges. NYC Transit sends a replacement card in the mail in 10 business days.

New Yorkers have embraced the MetroCard discounts and unlimited ride passes. In 2001, 43.2% of all trips were taken using an unlimited ride pass. Use of 7-day passes accounted for 27.3% of trips while the 30-day pass accounted for 11.5% of trips and the one-day pass 4.4% of trips. (Use of the one-day pass has increased from less than 2% of all trips at the beginning of 2000 to over 5% in May 2002.) In addition, 26.9% of trips used bonus MetroCards in 2001. In all, 70.1% of subway and bus trips on New York City Transit used either an unlimited ride pass or a bonus MetroCard in 2001.

Non-discounted trips are taken using tokens (10.6%), cash payment on buses (6.6%) or full-fare MetroCards (purchases under \$15, including single-ride cards) (12.7%).

Response to the fare incentives was much greater than expected by the MTA or other observers. While free transfers were adopted primarily with two-fare zone customers in mind (i.e., riders who take the bus and then subway to work), they were embraced by riders throughout the city. Unlimited ride passes were adopted not only by riders who took enough trips to save money using a pass, but also by riders who were just below the threshold and took more trips using a pass than they would have otherwise.

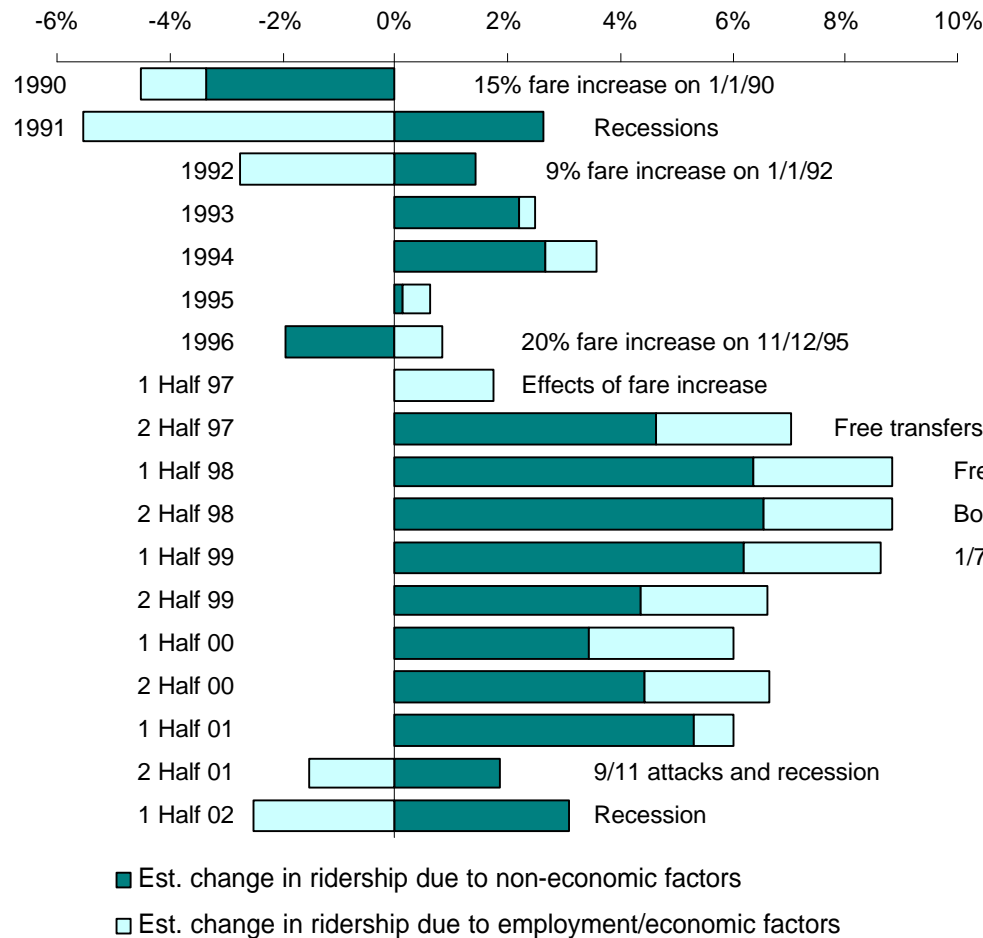
Bus and subway ridership grew at unprecedented rates after the fare discounts and passes were introduced. The fare incentives played a key role in reversing the long-term decline in transit ridership, particularly bus ridership. Many riders said that they began riding buses for the first time in their lives, initially because of the free transfers and then also due to the passes. Riders particularly increased their non-work travel – trips for shopping, entertainment, personal business, visiting friends, etc. Non-work transit trips grew by an astounding 62% in the 1990s, in large part due to the fare discounts and passes.¹

In absolute terms, average weekday subway and bus ridership increased from 5.3 million in 1996 to 7.0 million in 2001 – an increase of 1.7 million trips per day, or 31%. Average weekend ridership over the same period increased 49%, from 2.3 million per day to 3.4 million per day.

The figure on the next page depicts ridership growth since 1990. The graph distinguishes between ridership changes due to economic changes (estimated based on employment data) and ridership changes due to non-economic factors. Non-economic

¹ See Schaller Consulting, “Commuting, Non-Work Travel and the Changing City: An Analysis of Census 2000 Commuting Results for New York City,” June 2002. Available at www.schallerconsult.com.

Sources of Growth in Transit Ridership, 1990 to mid-2002



Note: This figure illustrates the extraordinary increase in ridership from July 1997 through early 2001, spurred by fare discounts and passes, by separating changes in ridership due to employment and economic factors from changes in ridership due to all other factors that include the fare incentives.

Estimated change in ridership due to employment/economic factors is based on annual percentage change in nonfarm employment in New York City, applied to transit ridership. The remaining change in ridership is due to other factors which include:

- Fare increases in 1990, 1992 and 1995
- Fare discounts and passes in 1997-99
- Service factors such as results of capital program spending and changes in the amount subway and bus service provided
- Demographic factors such as increased immigration to the city.

factors include the impact of fare increases in 1990, 1992 and 1995 and the subsequent fare discounts and passes. Non-economic factors also include the drop in crime in the subway and the city generally, improvements in subway and bus service that are the fruits of the massive capital repair and rebuilding program begun in the early 1980s and changes in the city's make-up such as increased immigration.

As shown in the figure, non-economic factors spurred ridership increases of 2% to 3% a year from 1991 to 1994. Ridership declines in 1990 and 1996 are attributable to fare increases in January 1990 and November 1995.

After free transfers were introduced in July 1997, non-economic factors accounted for ridership increases of 4.6%. If one subtracts an underlying growth rate of about 2.5% from non-economic factors, evident in the early-90s, it appears that free transfers by themselves produced approximately 2% incremental growth in ridership.

Ridership grew even more quickly with introduction of the bonus on MetroCard purchases over \$15 and the unlimited ride passes, reaching over 6% due to non-economic factors in 1998 and the first half of 1999. Notably, rapid increases continued past the initial surge in ridership generated by each new fare incentive. In the second half of 2000 and first half of 2001, transit ridership grew by 6% or more overall, with most of the increases attributable to non-economic factors. It appears that the fare incentives continued to spur increased ridership for at least two years after the one-day pass was introduced in January 1999.

The 9/11 attacks and economic decline in the city sharply curtailed ridership growth. Ridership in the first eight months of 2002 was a scant 0.5% higher than for the same period in 2001.

Had it not been for non-economic factors, however, ridership would have actually declined in 2002. We estimate that in the first half of 2002, economic factors generated a 2.5% reduction in ridership, offset by a 3.1% increase from non-economic factors. Another way to see the countervailing forces is by comparing weekday subway ridership, which is heavily work-related, with bus ridership and weekend subway ridership, which carry primarily non-work trips. In the first eight months of 2002, weekday subway ridership declined 2.0% while increasing by 1.4% on the weekend. Bus ridership increased 2.8% on weekdays and 5.2% on weekends.¹

The experience of the last five years with MetroCard fare discounts and passes holds two important lessons. First, that fare policy can be effective in improving the attractiveness of transit, particularly for non-work trips. The fare policy changes have improved New Yorkers' mobility and the convenience of using the transit system.

Second, fare incentives adopted four to five years ago no longer appear to be fueling further ridership growth. This development raises a timely question: Is there more that

¹ "Summary of Operating Performance, NYCT Committee [of the MTA Board]," October 2002.

can be done? Are there further changes to transit discounts or passes that could further enhance the attractiveness and ease of use of the transit system? Furthermore, can a program be designed that is both effective and affordable in the current budgetary lean times?

The remainder of this report focuses on answering these questions.

IV. CURRENT TRANSIT USAGE AND FARE PAYMENT PATTERNS

This chapter presents survey results on current fare media purchase patterns and the impact of fare discounts and passes on ridership.

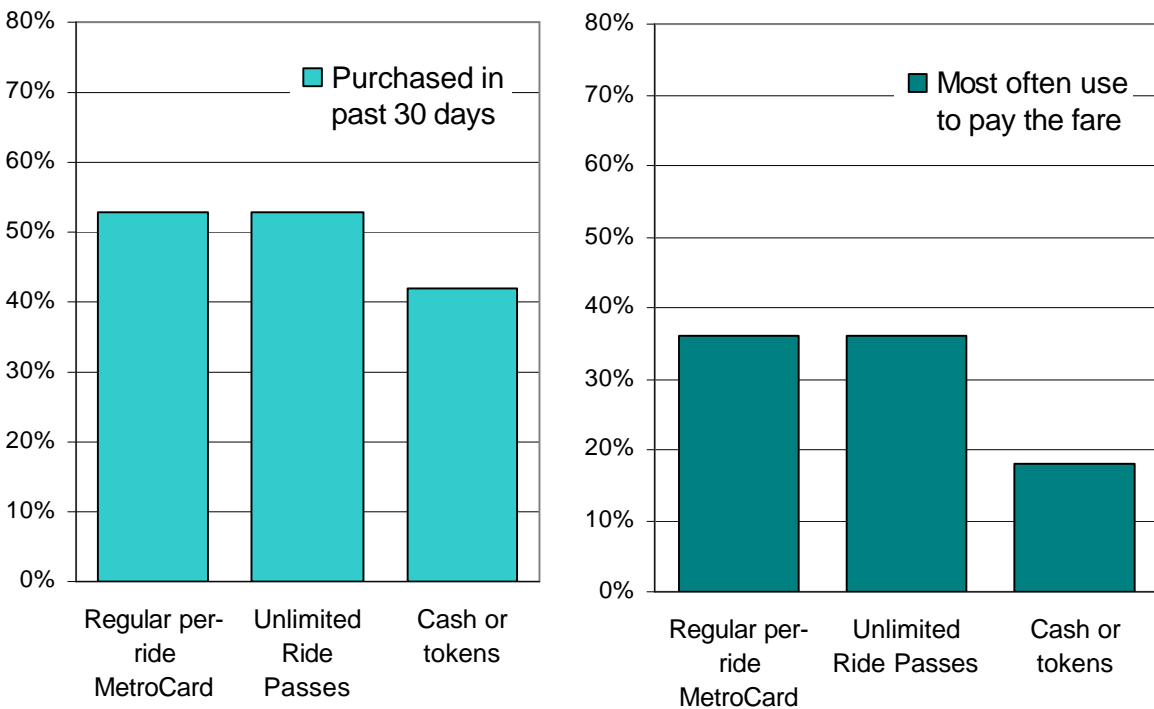
A. Survey Results

Current MetroCard purchase patterns

Most riders use unlimited ride passes and/or regular per-ride MetroCards

- 53% of riders have purchased a regular per-ride MetroCard in the past 30 days.
- 53% have purchased an unlimited ride pass in the last 30 days.
- 42% have used cash on buses or have purchased tokens in the past 30 days.
- 36% of riders most often pay their fare using a regular per-ride MetroCard
- 36% most often use an unlimited ride pass.
- One in five riders most often use tokens or cash to pay the fare.

How riders pay the fare

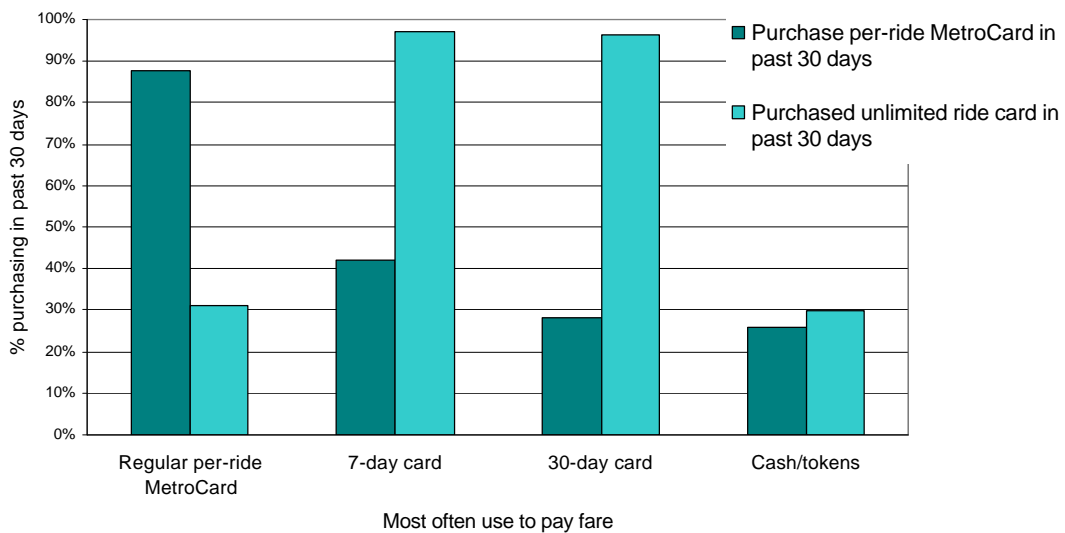


See also tables in Appendix.

Riders often switch between per-ride payment and passes

- 31% of riders who most often use a regular per-ride MetroCard have bought an unlimited ride pass in the previous 30 days.
- Similarly, 42% of riders who most often use a 7-day pass have bought a per-ride MetroCard in the previous 30 days.

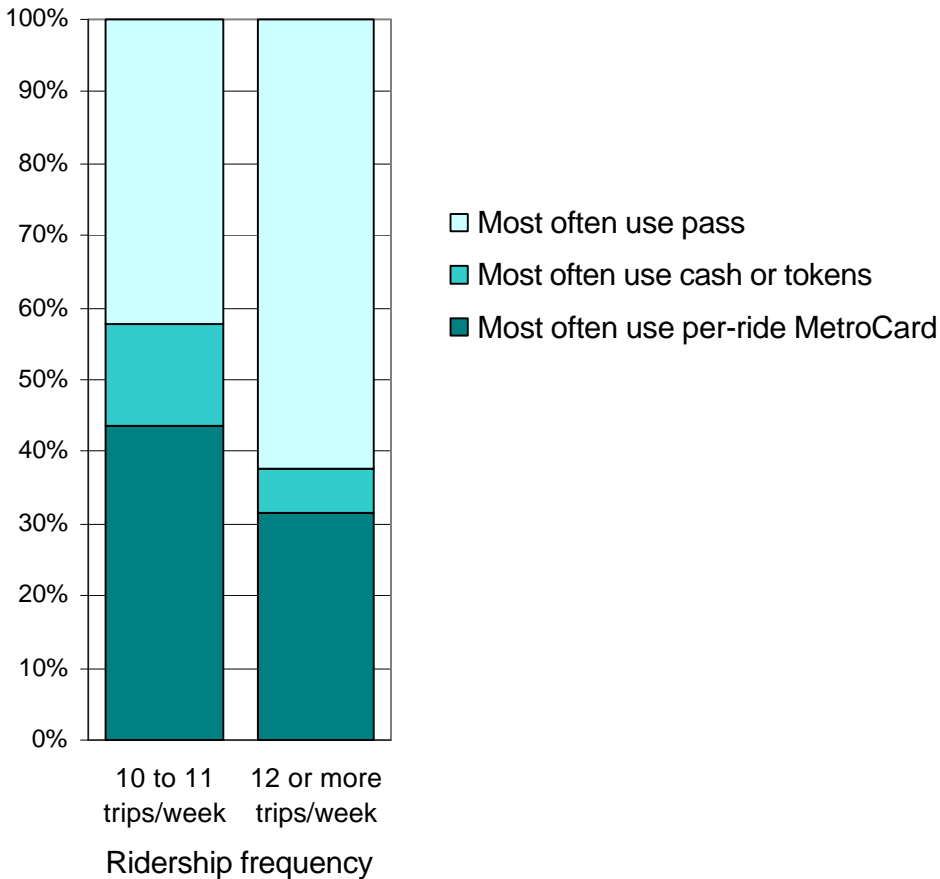
Whether purchased per-ride MetroCard or unlimited ride pass in past 30 days, by how riders most often pay the fare



Many frequent riders pay by the trip instead of using a pass

- 38% of riders who say they typically take at least 12 trips per week – and thus would break even or save money with an unlimited ride card – pay their fares with cash, tokens or a per-ride MetroCard.

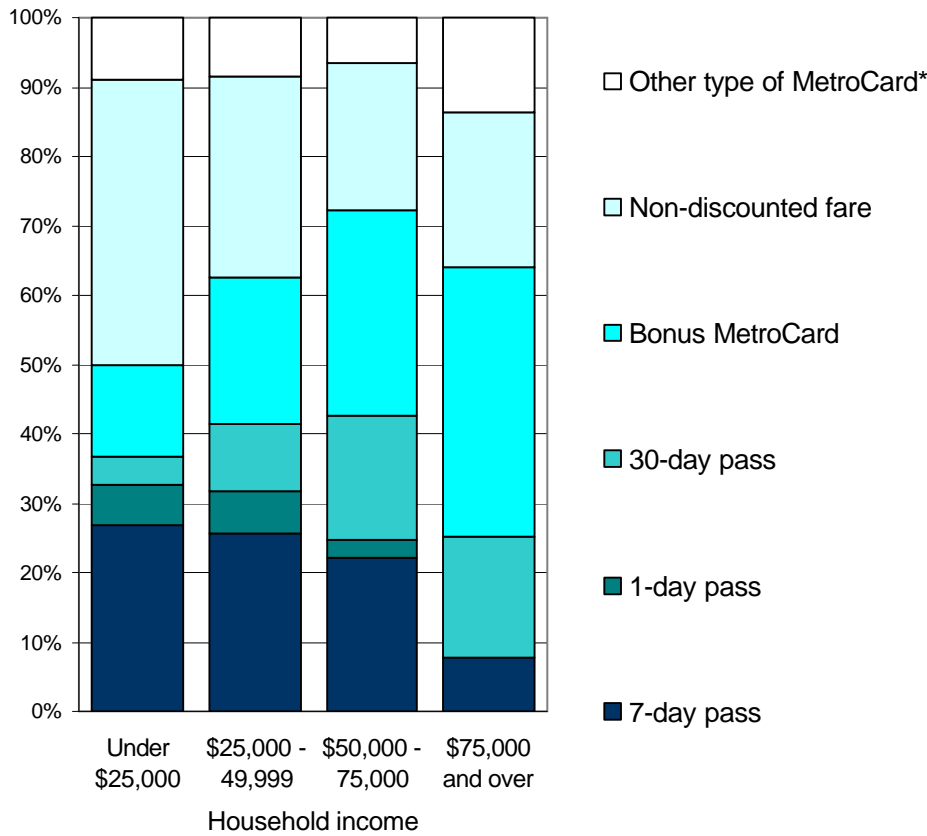
How riders most often pay the fare, by frequency of transit use



Lower-income riders disproportionately pay full \$1.50 fare or use 7-day pass

- 41% of lower-income riders with household incomes under \$25,000 most often use non-discounted fares (tokens, cash and MetroCards purchased for under \$15).
- By contrast, 21% of upper-income riders most often use non-discounted fares, meaning lower-income riders are almost twice as likely to pay the full \$1.50 fare compared with upper-income riders.
- Lower-income and middle-income riders (household incomes up to \$50,000) are relatively heavy users of the 7-day unlimited ride pass.
- Upper-income riders predominantly use bonus MetroCards and 30-day passes.
- Overall, only one in nine low-income pass users purchase 30-day passes compared with two in three upper-income pass users.

How riders most often pay the fare, by household income



* “Other type of MetroCard” may or may not be discounted from base fare.
See also tables in Appendix.

Reasons to use regular MetroCard vs. passes

The tendency of many riders to switch between different types of MetroCards suggests that no single type of MetroCard works well for them all the time. In focus group discussions, subway and bus riders described both the advantages and limitations of the regular per-ride MetroCard and each of the three passes.

- Per-ride MetroCards have the advantage of not expiring after 7 days or 30 days, but obviously do not offer unlimited rides as do the passes.
- The passes offer unlimited rides but expire after 7 or 30 days. Riders feel that they take the chance of “losing” days if they do not travel consistently over the course of a week or month.
- In addition, many riders fear losing a 30 day card. Focus group results suggested that fear of losing the card (or more often, misplacing it temporarily or permanently) is a major deterrent to its purchase.

Ideally, transit riders would like to combine the best features of the per-ride and unlimited ride cards. They would like a card that offers unlimited rides for the days they use the subway or bus. In this survey research, respondents were asked about two variants of an unlimited ride card good for nonconsecutive days – a 7-day card and a 5-day card.¹

Focus groups also identified several other main reasons for purchasing each type of fare media. Advantages and disadvantages of each are summarized in the table on the next page.

To quantify reasons for purchase choice, the survey focused on three key choices:

- Buying a regular MetroCard instead of an unlimited ride pass
- Buying a 7-day pass instead of a 30-day pass, and
- Buying a 30-day pass instead of a 7-day pass.

The objective of these questions is to identify barriers to using 7-day and 30-day passes. Results also provide information on reasons to use the 30-day pass.

¹ A 7-day nonconsecutive day pass was tested in a concept stage where the objective was to focus respondents on understanding the nonconsecutive feature – the key difference between the new concept and the current 7-day card. A 5-day card was tested in the pricing comparisons to match the work week.

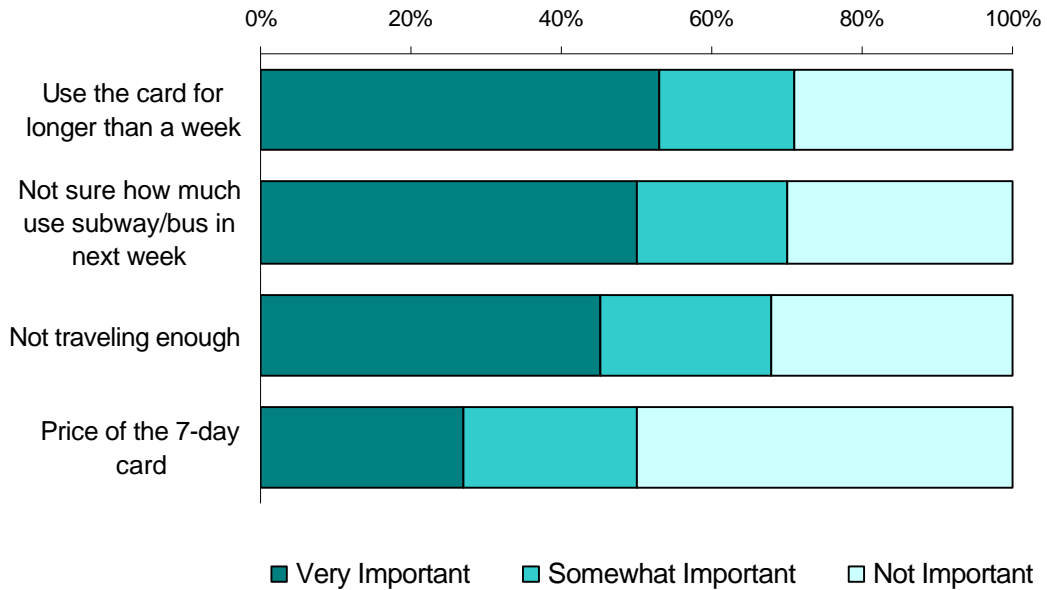
Summary of Rider Reaction to the Current Fare Offerings (based on focus groups)

Type of Payment	Situations and types of people who use it	Benefits (+) and Drawbacks (-)
Tokens/cash on bus (\$1.50)	<ul style="list-style-type: none"> ▪ Making one trip ▪ Don't have much cash 	<ul style="list-style-type: none"> + Quick to buy + No swiping problems - No transfer between subway and bus
Regular MetroCard -- Less than \$15	<ul style="list-style-type: none"> ▪ Don't have much cash ▪ Need just enough trips to get through to end of week 	<ul style="list-style-type: none"> + Low cost - No bonus rides
Regular MetroCard -- \$15 or more	<ul style="list-style-type: none"> ▪ Just going back and forth to work (10 trips in week) ▪ Not using transit every day 	<ul style="list-style-type: none"> + Bonus trips + Does not expire before use up the value
7-day unlimited ride MetroCard (\$17)	<ul style="list-style-type: none"> ▪ Use bus/subway for all travel ▪ Sure will use it everyday; travel in predictable pattern ▪ Have bills to pay/tight budget ▪ Get paid every week 	<ul style="list-style-type: none"> + Saves money + Freedom to travel as much as you want without additional cost + Don't worry about running out of trips - May not use full value; no guarantee will be worthwhile
30-day unlimited ride MetroCard (\$63)	<ul style="list-style-type: none"> ▪ Working person, busy person who travels every day ▪ Planner; travel in predictable pattern ▪ Person who can be careful with the card (not losing it, keep in good condition) ▪ Use bus to subway to bus for work trip 	<ul style="list-style-type: none"> + Saves money + Freedom to travel as much as you want without additional cost + Don't worry about running out of trips + Saves time standing in line - May not use full value; no guarantee will be worthwhile - Can lose/misplace it
Fun Pass (one day unlimited ride MetroCard for \$4)	<ul style="list-style-type: none"> ▪ Especially busy day ▪ For tourists 	<ul style="list-style-type: none"> + Freedom to travel as much as you want without additional cost - More expensive than other passes - Need to buy each day you use

Respondents offered three main reasons to buy the per-ride MetroCard instead of a 7-day pass

- Three factors are about equally important for buying the regular per-ride MetroCard instead of a 7-day pass: being able to use the card for longer than a week, not being sure how much you'll travel in the next week, and not traveling enough for the 7-day card to be a good purchase.
- The price of the 7-day card is a less-important factor, not surprising since per-ride MetroCard users primarily buy cards in denominations of \$15 or more.

Reasons for buying regular per-ride MetroCard instead of 7-day pass

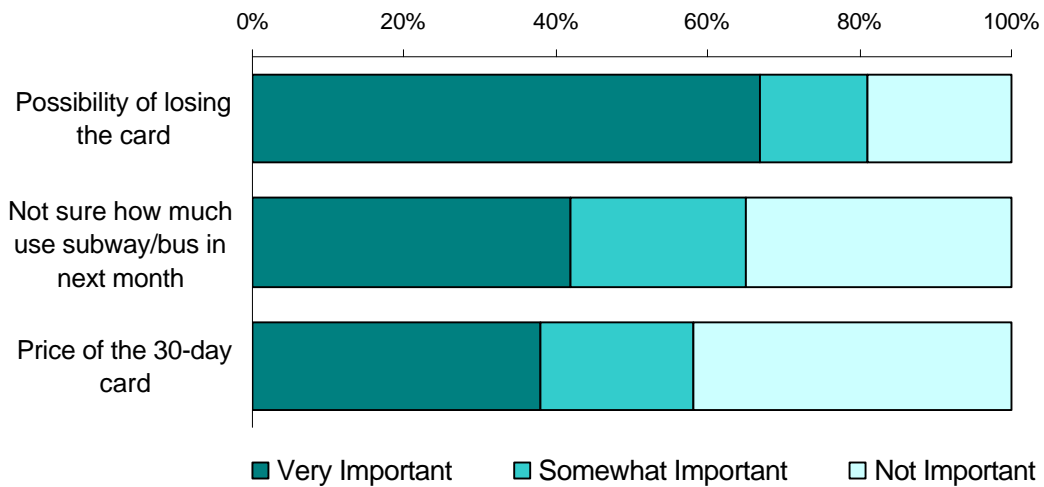


See also tables in Appendix.

Fear of losing the card is main reason to buy 7-day instead of 30-day pass

- The possibility of losing a 30-day card is the predominant reason to buy a 7-day card instead; 67% cite the possibility of losing a 30-day pass as a “very important” reason to buy the 7-day pass instead.
- Uncertainty about transit usage in the next month and price of the 30-day card are less important but still significant factors.

Reasons for buying 7-day pass instead of 30-day pass

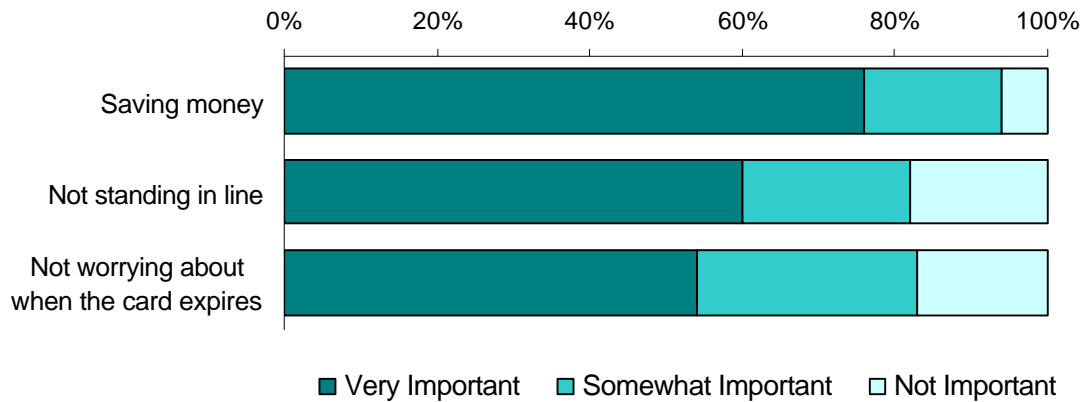


See also tables in Appendix.

Saving money is main reason to buy 30-day instead of a 7-day pass

- Saving money is the most important factor in buying a 30-day card instead of a 7-day card.
- Avoiding lines and not worrying about when the card expires are also very important factors.

Reasons for buying 30-day pass instead of 7-day pass

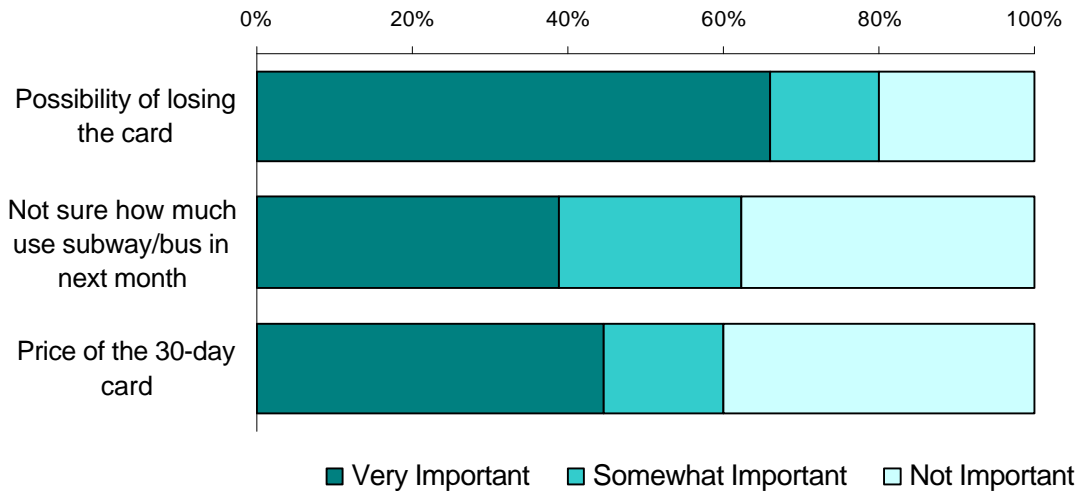


See also tables in Appendix.

Cost of 30-day card is deterrent for lower-income riders

- Not surprisingly, the price of the 30-day card is a more important factor in purchase of 7-day cards for lower-income transit riders than upper-income riders, cited by 45% of low-income riders as a very important reason not to buy a 30-day pass.
- Even so, the possibility of losing the card is the most important reason not to buy a 30-day card for lower-income riders (“very important” for 66% of respondents with household incomes under \$35,000).

Reasons for buying 7-day pass instead of 30-day pass, for riders with household income under \$35,000



Note small base size (85).
See also tables in Appendix.

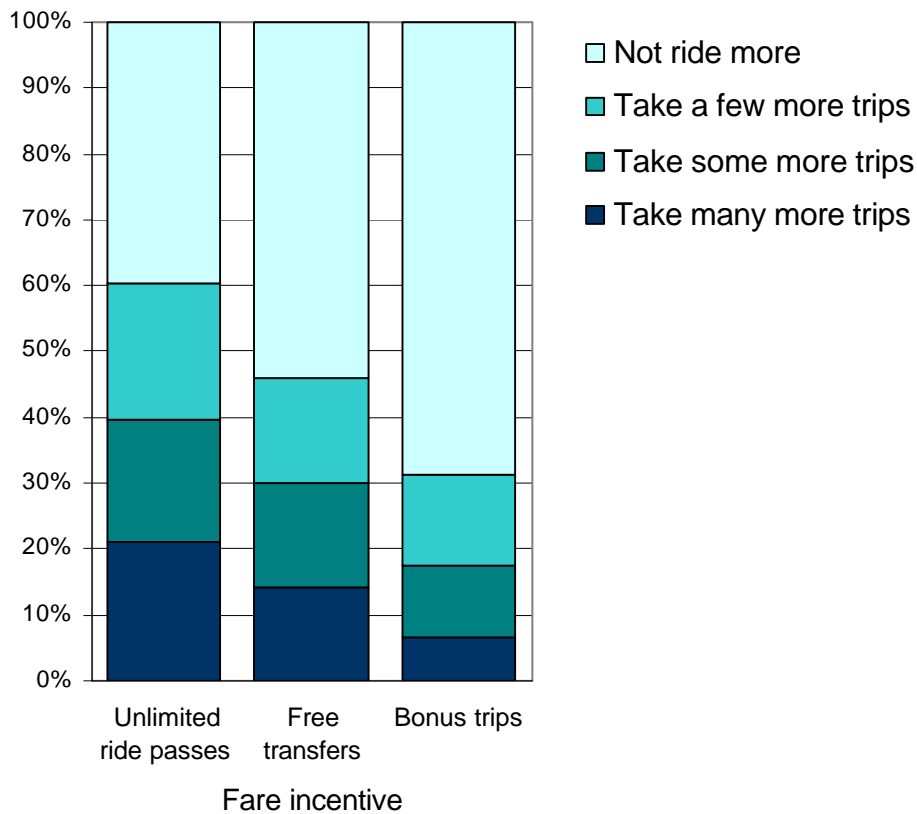
Ridership impact of fare incentives

MetroCard fare incentives spurred large increases in transit ridership from 1997 to 1999. Three survey questions were designed to capture current information on the relative ridership impacts of the three types of fare incentives now in place.

Unlimited ride passes and free transfers are strongest spurs to increased use of transit

- Unlimited ride passes stimulate much more ridership than the bonus and somewhat more ridership than free transfers. Six in ten pass users (60%) say they take trips when using an unlimited ride pass that they would not take if they paid a separate fare for each trip.
- 46% of regular MetroCard users take trips because of the free transfers that they would not take otherwise.
- 31% of regular MetroCard users who take advantage of the bonus take additional trips because of the bonus.

Ridership impact of passes, free transfers and fare discounts



See also tables in Appendix.

Use of TransitChek

Under the TransitChek program, riders who work for participating employers can purchase transit fares using pre-tax dollars. Employees can set aside up to \$100 a month and receive vouchers to pay for MetroCards, 7-day or 30-day passes or per-ride MetroCards. They can also elect to receive per-ride MetroCards and unlimited ride passes.

Because fares are paid with pre-tax earnings, workers can save \$400 or more a year in taxes. Employers benefit as well through reductions in their payroll taxes.

The survey found that despite the major savings to employees and employers:

- Only 23% of employed respondents say their employer offers TransitChek.
- 50% of this group – 11% of all employed respondents offered TransitChek – is enrolled in the TransitChek program.

A detailed description of the TransitChek program can be found at www.transitcenter.com or www.straphangers.org (click on “Lower your fare”).

B. Implications

More transit riders can be attracted to use unlimited ride passes. The potential is clear. A substantial number of frequent riders do not currently use passes even though they could save money doing so. Many riders switch between passes and per-ride MetroCards, suggesting that neither product ideally fits their needs.

Equally clear is that increased pass use would fuel greater use of the transit system. Survey results indicate that among the fare incentives now in place, passes have the greatest impact on increasing ridership, understandably since each additional trip is free once the pass has been purchased.

Adding to the types of unlimited ride cards offered and changes to the terms and conditions of existing cards could attract additional riders to use passes as their usual means of paying the fare. Improvements should address the following issues:

- Users of the regular per-ride MetroCard want an unlimited ride card that does not make them risk “losing” days they do not travel by subway or bus. Some riders therefore want the MTA to offer an unlimited ride card that is good for nonconsecutive days.
- Transit customers fear they will lose or misplace a 30-day card. A system to report and replace lost cards would address this issue.
- Affordability of the 30-day card is an issue for lower-income riders. A more affordable alternative would be a bi-weekly card good for 14 days.

In addition, many more riders could benefit from tax savings if their employers participated in the TransitChek program.

Improvements should also address the inequity of the current fare structure in which lower-income riders are more likely to pay the full fare than higher-income riders. One reason this inequity arises is that upper-income riders are much more likely to purchase 30-day passes than are lower-income riders. Replacement of lost cards and a bi-weekly pass would help increase pass use among low-income riders.

Even more important as an equity issue than the 30-day pass is the greater use of bonus MetroCards among higher-income riders. A straightforward solution would be to simply abolish the bonus.

The bonus was put in place in January 1998 for three purposes. The first was to give a break to frequent riders, a mission that can also be accomplished through the various unlimited ride passes. Second, the bonus was intended to reduce lines at token booths by encouraging riders to buy in “bulk.” Installation of hundreds of automated MetroCard vending machines throughout the subway system has reduced the

importance of this issue. Third, the bonus was introduced to stimulate adoption of the MetroCard itself. It is no longer needed for this purpose.

The bonus has helped to accomplish these three goals but has largely outlived its usefulness. The MTA could make the fare more equitable by abolishing the bonus for MetroCard purchases. The revenue increase that would result from doing so could be used to lower the base fare of \$1.50. Reducing the base fare to \$1.40 for purchases of all per-ride MetroCards would be revenue-neutral for the MTA and would increase the equity of the fare system.

In the longer term, the base fare should be standardized for all per-ride payments including cash and tokens. If done immediately, the break-even fare would be \$1.42, which is not a practicable fare to implement. A practical and valuable short-term step, therefore, is to reduce the fare for per-ride MetroCards to \$1.40 and establish a uniform base for the per-ride MetroCard, tokens and cash at the time of the next fare increase.

V. POSSIBLE CHANGES TO THE FARE STRUCTURE

Eleven possible changes to the transit fare were explored in the telephone survey. The possible changes included changes in the pricing of unlimited ride passes, changes to the terms and conditions for passes, and changes to the fare based on time of day or other considerations. The list was based on results of focus groups with riders, practices in other cities and client interest. The box on the next page lists these eleven changes to the transit fare.

A. Initial Screening of Options

Options selected for further consideration

After initial review of survey results, several possible changes were selected as the focus for in-depth analysis. They are:

- Bi-weekly pass good for 14 consecutive days.
- “Flexible multi-day” pass good on non-consecutive days, for example, a 5-day pass that could be used on any five days; the days would not need to be consecutive days.
- Replacement of lost or stolen unlimited ride MetroCards.

Survey results for these options are reported in detail in this chapter.¹

Focus group results

Each of the three selected options won strong support in focus group discussions. A *bi-weekly card* would match the pay period for many employed persons. It would allow frequent transit riders to buy their MetroCard less often than weekly, but without committing to a full month of usage.

A *flexible multi-day pass* borrows the best features of the per-ride MetroCard, retaining value on days that it is not used, and passes which offer unlimited trips on the days they are used. Currently, unlimited ride passes are seen as suitable for riders who make a lot of trips and have a predictable schedule that leads them to use transit every day or nearly every day. The possibility of being sick, staying home for some other reason or going out of town gives many participants pause in considering an unlimited ride card. The unlimited ride cards thus pose a tradeoff. Riders save money and have the freedom to travel as much as they want. They need not worry about how many trips are left on

¹ Also reported in this chapter are detailed survey results for a fourth option: allowing transfers to be used to re-enter the subway within two hours of first entering a subway station. This option is included in reporting of survey results because of the way survey questions were structured.

Possible changes to the subway and bus fare**Reduced price for current passes**

- Reduced price for 7-day card (\$16 instead of \$17).
- Reduced price for 30-day card (\$58 instead of \$63).

New terms and conditions for passes

- Replace a lost or stolen unlimited ride MetroCard. (Not currently available except for some senior/disabled passes.)
- Use a free transfer to leave the subway system and re-enter the subway system within two hours. (Currently available for transfers between bus routes and between subway and bus, but not to re-enter the subway system.)

New types of passes

- Bi-weekly pass good for 14 consecutive days.
- Flexible multi-day pass good on non-consecutive days.
Example: 5-day unlimited ride MetroCard you could use for any five days; the days would not need to be consecutive days. (Current passes expire after 7 or 30 consecutive days.)

Enhanced bonus

- Getting two bonus trips for buying a \$15 MetroCard. (Currently, riders get one bonus trip.)
- Getting a bonus trip for purchases of \$10 or more. (Current threshold is \$15.)

Targeted fare reductions

- A reduced fare for children traveling with adults on the weekend. (Children currently pay full fare.)
- Lower fares on weekends, evenings and midday. (Fare is currently the same at peak and off-peak times.)
- A lower fare for the bus than the subway. (Fares are currently the same for bus and subway.)

the card. But respondents feel they risk “losing the days I paid for” if they do not travel every day.

As a result of this limitation, some customers view the per-ride MetroCard as the “unlimited” card because there is no time limit for using the value of the card. A flexible multi-day pass eliminates this limitation because the value of the card would not be used up on days the card is not used.

Based on the focus groups (and confirmed in the survey), *fear of losing or misplacing the 30-day card* is a major reason that many riders buy the 7-day card instead of the 30-day card. Riders feel they are rushed and in a hurry when using the card in a turnstile or boarding a bus, and may easily misplace it. Riders want to be able to replace a lost or stolen 30-day card and thus not lose the remaining value on the card.

Survey results reported later in this chapter show that these options have the potential to spur increased transit ridership and improve the equity of the current fare structure. It also appears that these changes can improve the fare structure while not reducing MTA fare revenues.

Relevant practices in other cities

A brief survey of practices in other cities found examples relevant to several of the changes selected for further analysis.

Replacing fare cards:

- The Washington Metropolitan Area Transportation Authority (WMATA), which operates the Washington DC Metro and buses in the District, will replace lost or stolen smart cards with replacement cards of equal value, for a \$5 replacement fee. (Smart cards are the next generation of fare technology -- permanent, rechargeable cards. Currently they are only used as per-ride cards, not passes. There is a \$5 fee to buy the smart card.) Customers must register their card in order for it to be eligible for replacement in the future. The registration process involves giving WMATA a name and address and the serial number of the card, and choosing a password. Registration can be done online at any time or at point of sale, and is free. Smart cards are sold only at selected sales offices, in contrast to the older magnetic strip passes, which are sold in stations but are not replaceable.
- Several commuter rail lines refund, in cash, the unused value of monthly passes. While not the same as replacing a lost or stolen pass, this practice offers customers the opportunity to realize the value of a pass they would not otherwise use. MTA Long Island Rail Road and Metro-North both offer refunds, although the amount is not pro-rated to the unused days.
- Metro-North will refund the remainder of the value of a stolen monthly ticket if documented with a police report and signed affidavit.
- The Southeastern Pennsylvania Transportation Authority (SEPTA) in the Philadelphia area will refund, in cash, the unused value of monthly passes. Customers must mail in the pass, and they qualify for a refund based on the postmark date. From the 1st to the 10th day of the pass's validity, a 50% refund

is offered. From the 11th to the 20th day, a 25% refund is offered. After the 20th day, no refund is available.

Bi-weekly passes

- Transit agencies in Los Angeles and Detroit currently offer bi-weekly (or semi-monthly) passes. The Los Angeles MTA's semi-monthly pass is priced at one-half the price of the monthly pass (\$42 and \$21 respectively) and slightly less than twice the cost of the weekly pass (\$11). Usage of the bi-weekly is about 10% of total pass usage, a modest but not insignificant usage level.
- In Detroit, a bi-weekly pass is offered for \$23, at a per-day price between the weekly (\$12) and monthly (\$42) passes.

Nonconsecutive day (flexible day) passes

- Although there are no known examples of nonconsecutive day passes offered by U.S. transit agencies, there are several European examples.
- In Vienna, one can buy an "umweltstreifenkarte" ("environmental ticket"). It is a "strip ticket" with eight strips, each of which is good for unlimited travel on one day. The eight strips can be used on non-consecutive days.
- A local bus company in Southampton, UK, recently introduced the "Flexi5." This is a pass that can be used for unlimited travel on any five days within a fourteen day timeframe.
- For intercity travel, various Eurail passes can be used for a pre-determined number of days in a set time period, e.g., 7 days in a 30 day time period. This model is also used for intercity rail passes in Japan and in other countries.

In addition, it may be of interest to note that a number of transit agencies have begun to focus on the terms and conditions or "rules" for fare card discounts and passes. Agencies have identified particular aspects of their fare structure as posing perhaps unnecessary barriers to the use of transit. For example, the Bay Area Rapid Transit District (BART) in the San Francisco area has examined the "guaranteed last ride" concept, in which the last ride on a card is guaranteed regardless of the amount of value remaining on the card. This option was also considered in a recent fare study for the Chicago Transit Authority.

These examples illustrate the increasing focus on refining and improving particular aspects of the fare structure.

Options screened out after initial evaluation

Several options were screened out during the initial review of survey results as follows.

Reduced price for current passes

Several questions on the survey explored the possibility of reducing the price of unlimited ride passes. There is much to be said for this option. As would be expected, reducing the price of the 7-day or 30-day pass would attract riders to these passes:

- 29% of regular per-ride MetroCard users say they would switch to a 7-day pass priced at \$16 instead of \$17. Of those who would switch, 53% said they would ride transit more as a result.
- 47% of regular per-ride MetroCard users say they would switch to a 30-day pass priced at \$58 instead of \$63. Of those who would switch, 43% said they would ride transit more as a result.

These reductions in pass prices would likely carry a sizeable price tag, however. The MTA would obviously lose fare revenue for those already using 7-day or 30-day passes. If the price of the 30-day pass is reduced, the MTA would also suffer reductions in revenue from riders who switch from consistently using a 7-day pass to using a 30-day pass since a month's worth of 7-day passes costs more than the 30-day pass. The MTA might gain revenue from regular per-ride MetroCard users switching to a pass, but our estimates indicate that this increase would not offset the loss of revenue from sales to current pass users.

Lowering pass prices would therefore have to be offset by increases in other parts of the fare structure or require additional governmental aid. An increase in the base fare would obviously cost full-fare riders, who are disproportionately low-income. Forty-one percent of riders with household incomes under \$25,000 pay the full fare (cash, tokens or MetroCard purchases not benefiting from the bonus) compared with 21% of riders with household incomes over \$50,000. The likely financial impact on low-income riders of a reduction in pass prices is a critical reason not to move forward with greater discounts on the passes.

We also note that there is not a public consensus for reducing pass prices relative to the base fare. In the survey, respondents were asked whether, in the event that the fare is increased, they prefer:

- The same increase in the regular fare of \$1.50 and the price of unlimited ride passes
- A smaller increase for the regular \$1.50 fare than for unlimited ride passes
- A smaller increase for unlimited ride passes than for the regular \$1.50 fare.

While a plurality (42%) preferred a smaller increase for unlimited ride passes than for the regular \$1.50 fare, there was not a clear consensus for this option. The majority

preferred either the same increase across the board (22%) or a smaller increase in the regular \$1.50 fare (36%). Further public dialogue on the tradeoffs among pass prices, the base fare and additional governmental aid is needed before these relationships are altered.

If the MTA implements our recommendations for new types of passes and changes to the terms and conditions of existing passes, the survey indicates that the number of pass users will increase substantially. Fewer lower-income riders would be paying the full fare with these recommendations implemented. In this event, there would be less of an equity issue from reducing pass prices relative to the base fare.

Targeted fare reductions and enhancements to the bonus

The survey also gathered reaction to five targeted changes to fares. Respondents were asked which of five changes would be most important to them. None of the five options emerged as a clear favorite in the survey. Responses were:

- 32% preferred lower fares on weekends, evenings and midday.
- 25% preferred getting two bonus trips instead of one for buying a \$15 MetroCard.
- 16% preferred a lower fare for the bus than the subway.
- 15% preferred a reduced fare for children traveling with adults on the weekend.
- 12% preferred getting a bonus trip for purchases of \$10 or more instead of purchases of \$15 or more.

In addition, respondents were asked whether they would prefer their top choice on this list, or “not increasing the price of the \$1.50 regular fare and of unlimited ride passes.” They overwhelmingly (74% to 26%) favored keeping the current fares the same and foregoing their most-preferred fare reduction.

Using free transfers to re-enter the subway

The ability to use free transfers to re-enter the subway within the two hour transfer window has broad appeal and shows strong potential to increase ridership. However, there would be a substantial reduction in revenue to the MTA. Riders would be able to use a transfer to pay for approximately 8% of subway trips,¹ reducing MTA fare revenues by approximately 2.5%. This is a very substantial revenue loss.

Furthermore, introduction of a flexible pass offers the functionality of subway re-entries to current per-ride MetroCard users, but without the revenue impact.

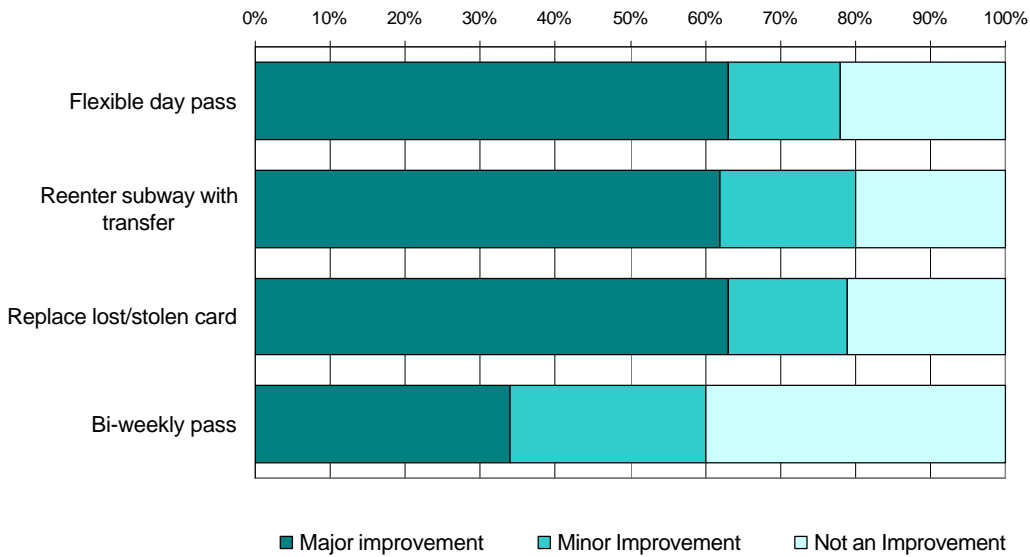
¹ Based on analysis of 1997/98 Regional Travel-Household Interview Survey, conducted for the New York Metropolitan Transportation Council and North Jersey Transportation Planning Authority. The 8% excludes trips that already involve a transfer (between subway and bus).

B. Survey Results

Three options would be major improvements for 60% or more of riders

- Four possible improvements to the fare structure were tested to determine which would be most attractive to subway and bus riders.
- Replacing a lost card, the flexible pass usable for nonconsecutive days and using a transfer to re-enter the subway system would represent major improvements to the fare structure for at least 60% of respondents.
- A bi-weekly pass would be a major improvement for one-third of riders.

Reaction to possible improvements to the fare structure

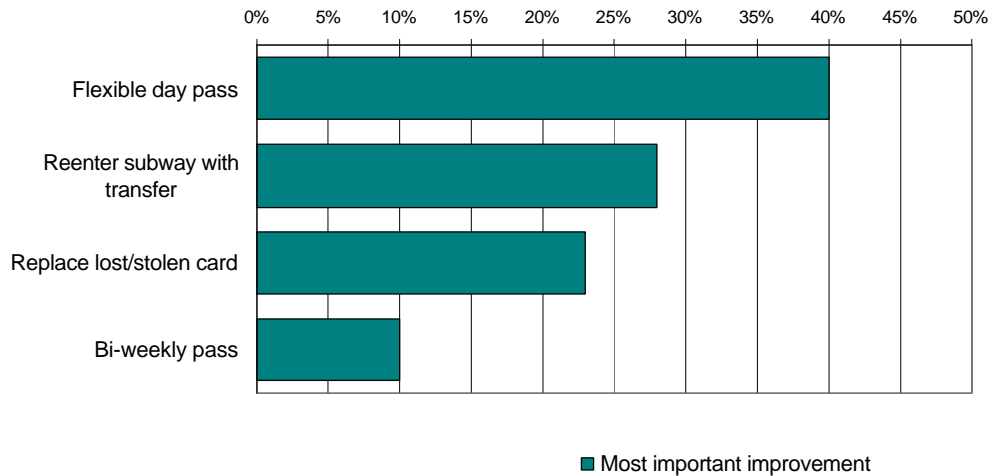


See also tables in Appendix.

A flexible pass is the most favored improvement

- The survey asked which improvement would be most important to respondents.
- The flexible day card good for nonconsecutive days is the most attractive option for 40% of riders.
- Second preference is for being able to use a transfer to re-enter the subway system (28%).
- 23% give top priority to replacing a lost or stolen unlimited ride pass.
- 10% emphasize the importance of a bi-weekly pass.

Most important of possible improvements to the fare structure



See also tables in Appendix.

Flexible multi-day pass has wide appeal

- Regardless of whether they currently use a regular MetroCard, pass or cash/tokens, the flexible multi-day pass is riders' most-preferred option of the four tested.
- The second most-favored option varies by current choice of fare payment. Second place for regular per-ride MetroCard users and cash/token users is being able to use a transfer to re-enter the subway system.
- For 7-day and 30-day card users, second choice is replacement of lost or stolen unlimited ride MetroCards.

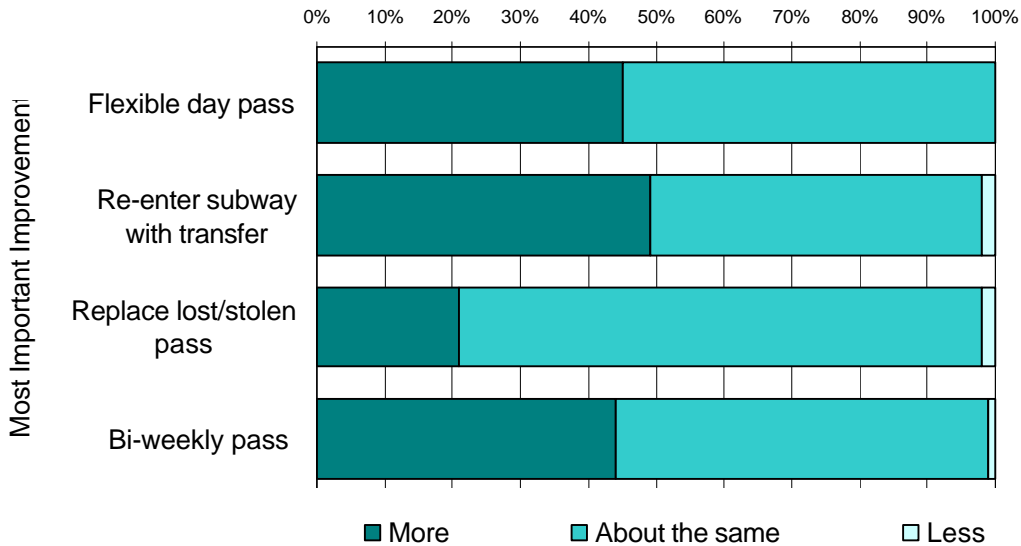
Most important of possible improvements to the fare structure, by current method of paying the fare

	Regular per-ride Metro-Card	7-day Metro-Card	30-day Metro-Card	Cash & tokens	All
Flexible day pass	41%	44%	39%	38%	40%
Re-enter subway with transfer	33%	14%	23%	35%	28%
Replace lost/stolen pass	17%	23%	36%	22%	23%
Bi-weekly pass	10%	18%	3%	5%	10%
Total	100%	100%	100%	100%	100%
Base	265	167	75	107	713

Three of the four possible improvements would significantly increase ridership

- After establishing which of the four improvements to the fare structure they preferred, respondents were asked whether they would ride the subway and bus more, less or about the same if their preferred option was available.
- Nearly one-half of those who preferred the flexible pass, using transfers to re-enter the subway or replacing lost/stolen cards would ride more as a result of having their preferred option available to them.
- One in five who prefer the bi-weekly pass would increase their ridership as a result of having a bi-weekly pass.

Ridership impact of each type of possible improvement

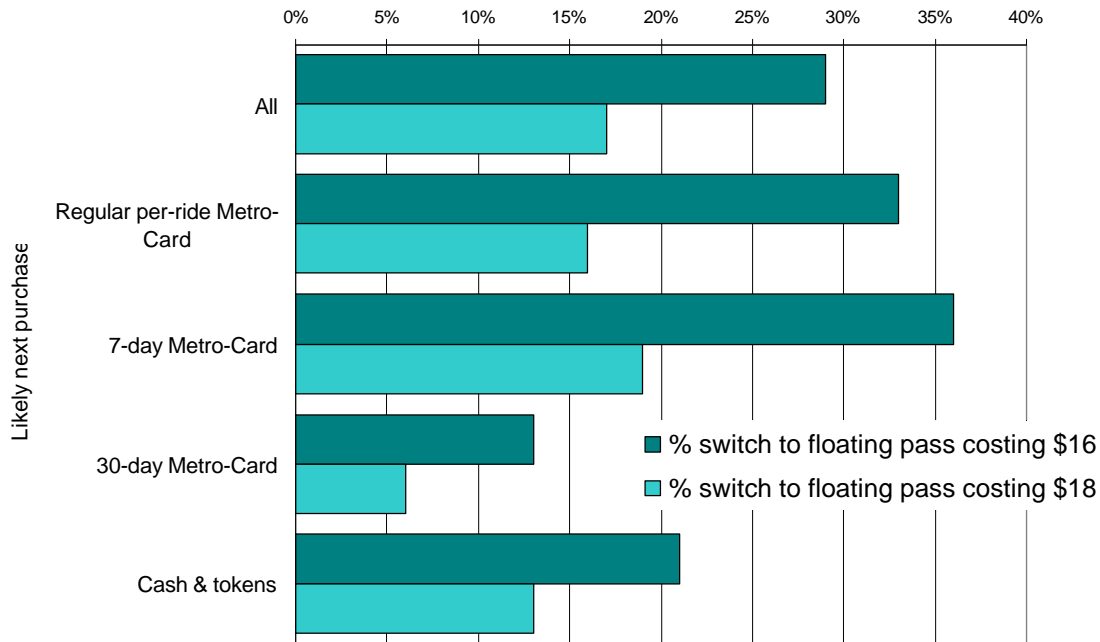


See also tables in Appendix.

Nearly one-third of riders say they would switch to a 5-day flexible pass

- Due to interest in this concept in earlier focus group research, the telephone survey asked the entire sample whether they would be likely to switch to a 5-day flexible pass costing \$16 or \$18.
- 29% of respondents would be likely to switch to a 5-day flexible pass costing \$16.
- Riders who use 7-day passes and regular per-ride MetroCards are the most likely to switch.
- Riders now using 30-day passes, cash or tokens are the least likely to switch to a 5-day flexible pass.
- Attractiveness of a 5-day flexible pass decreases significantly at a higher price; only 17% of riders would switch to a 5-day flexible pass priced at \$18.

Switching to 5-day flexible pass

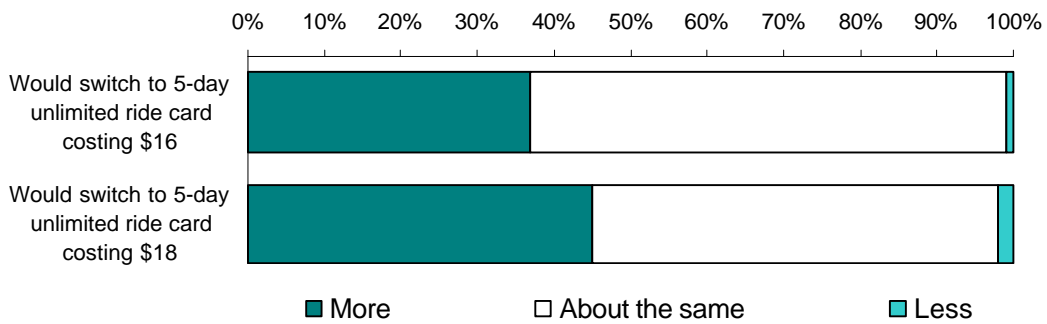


See also tables in Appendix.

Of those using 5-day flexible pass, at least one-third would use transit more

- Between one-third and one-half of riders would use transit more after switching to a 5-day flexible pass.

How use of transit would change with 5-day flexible pass, among riders who would switch to this option

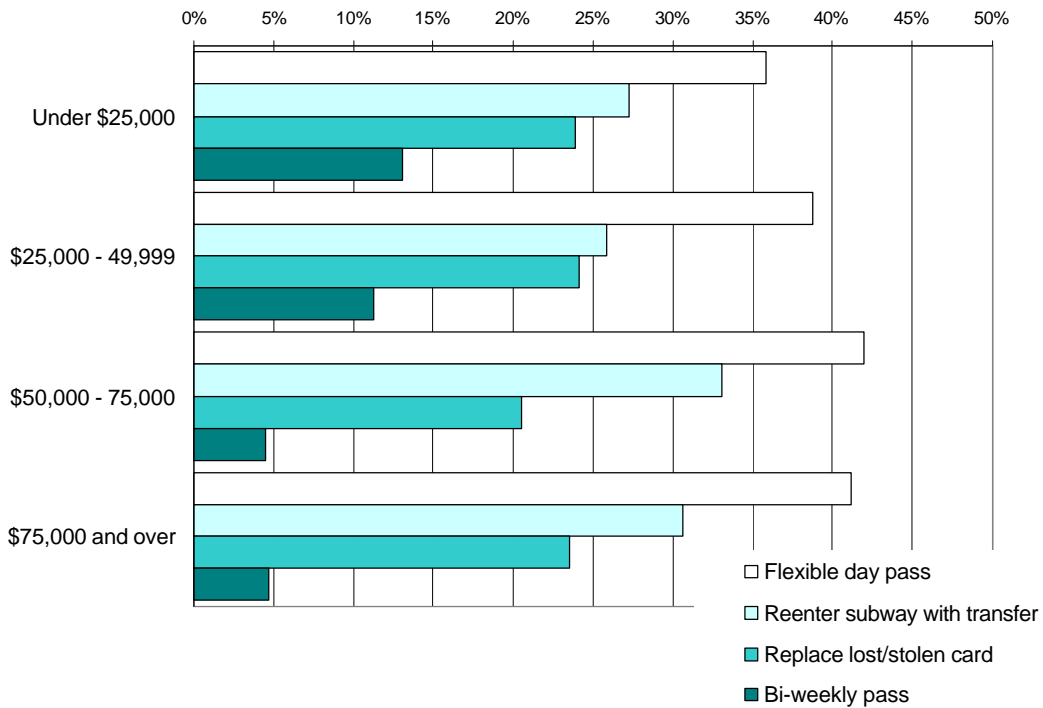


See also tables in Appendix.

Bi-weekly pass has increased importance for lower-income riders

- Results presented above are generally similar across income groups. The flexible pass is the most important improvement of the four possible improvements for all income groups.
- There are differences by income, however, in the attractiveness of the bi-weekly pass. The bi-weekly pass is more important to lower-income riders than higher-income riders (41% of those with household incomes under \$35,000 rate as major improvement compared with 19% of those with incomes of \$75,000 or more).
- When asked to choose the most important improvement, the popularity of a bi-weekly pass is somewhat higher for lower-income riders than upper-income riders, as shown in the chart below.

Most important of possible improvements to the fare structure, by household income



C. Implications

Several possible improvements to the types of passes offered and the terms and conditions of existing passes appeal strongly to riders. A flexible multi-day pass that could be used for unlimited rides on nonconsecutive days has the strongest appeal. It combines the best elements of the current per-ride MetroCard (not losing days a rider does not travel) and the passes (unlimited rides on the days the card is used). By eliminating the uncertainty and risk associated with the 7-day and 30-day passes, a flexible multi-day pass reduces a key barrier to use of unlimited ride passes. A key strength of the flexible multi-day pass is that it appeals to a cross-section of riders including per-ride MetroCard and cash and token users. Thus, it has the potential to increase ridership and generate additional revenues from some riders, as did the unlimited ride passes when they were implemented.

The bi-weekly pass is a second attractive addition to the unlimited ride passes. Use of a bi-weekly pass is likely to be modest but important to those who use it, who are most likely to be primarily lower-income riders for whom \$63 is more than they can afford at a time. A bi-weekly pass also matches the pay cycle of workers are paid on a bi-weekly (or semi-monthly) basis. Survey results indicate that a bi-weekly pass has strong potential to generate additional ridership.

Another step that would promote use of longer-term passes is to offer replacement of lost or stolen 30-day MetroCards. While the effect on ridership is smaller than the first two changes, the potential is substantial given the relatively modest scope of this change in the terms and conditions of the 30-day card. The MTA already offers to replace lost or stolen MetroCards issued as picture IDs to participants in the senior/disabled half-fare program. Extending a similar program to all 30-day pass users would enhance the card and draw more people to it.

VI. MTA BUDGETARY IMPLICATIONS

The previous chapters identified several attractive changes to the current subway and bus fare structure:

- A flexible multi-day pass good for unlimited rides on nonconsecutive days.
- A bi-weekly pass good for 14 consecutive days.
- Replacing lost or stolen 30-day passes.

This chapter presents results of a preliminary analysis of budgetary impacts from the three changes identified above.

The intent of this analysis is to assess the *direction* of the budgetary impact (positive or negative) and likely *magnitude* of change. It is beyond the scope or budget of this study to make detailed revenue or expense projections. The fundamental objective is to assess whether this package could reasonably be formulated to be neutral for the MTA's finances while increasing ridership and making the fare system more equitable to low-income riders.

A. Revenue Impacts

The revenue analysis is based on survey results showing current transit usage, methods of fare payment, and receptivity to using new fare products such as a flexible pass. MTA data on ridership by fare category is also incorporated into the analysis.

Survey results contain the most critical information necessary to assess revenue impacts: the current purchasing habits of transit riders who are attracted to each possible improvement. We can thus identify how many riders who might change to a new option would be paying more in fares and how many would likely be paying less in fares. For example, a 7-day pass user who uses the pass six or seven days a week will pay slightly more in fares after switching to a 5-day flexible pass priced at \$16. Other unlimited ride pass users will be able to both save money and gain flexibility with a flexible pass. Knowing how many riders fit into each category, and how much they would spend additionally or save, allows us to project whether each option would produce a revenue gain or loss for the MTA.

Several limitations to this analysis should be noted. First, the survey did not ask specifically about switching behavior for the bi-weekly pass and replacing lost/stolen cards. The profile of likely switchers can be seen, however, from respondents who ranked the bi-weekly pass or replacing lost/stolen cards first in the menu of four options.

Second, the survey did not ask about packages of the four improvements. As with the previous point, some sense of this can be gained from the priority rankings but the information should be interpreted cautiously.

Finally, the analysis is fiscally conservative because it does not assume that riders who buy the flexible multi-day pass would increase the number of days they travel by transit. It is highly likely that, in fact, riders switching from the regular per-ride MetroCard, tokens or cash to flexible passes would take advantage of the lower cost of travel per trip and travel on more days. It is difficult to know how many additional days they would travel, however, and no assumption is made that they will do so. Thus, it is possible that a revenue neutral package of fare changes would, in fact, increase both ridership and revenue.

Flexible multi-day pass

Offering unlimited rides on the days that it is used, the flexible multi-day pass offers riders flexibility and the assurance that they will not “lose” days when they do not ride the subway or bus. Because of this assurance, some pass users who may actually end up spending more in fares than they do now indicate a desire to switch to a flexible pass if it is offered. This willingness is less surprising than it may sound. Many 7-day pass users would save money with a 30-day pass but elect to buy 7-day passes in order to avoid the uncertainty with the longer time commitment. *As a result of some riders’ desire to trade dollars for convenience and reduction of risk, we estimate that a flexible pass will increase ridership with no revenue loss or a possible modest increase in revenue for the MTA.*

The MTA will break even or gain revenue from the following rider segments that say they would switch to a flexible pass priced at \$16:

- ***Regular per-ride MetroCard users.*** These riders are the primary market for the flexible pass, representing 38% of riders who would switch to it. These riders travel frequently but are not sure that they travel enough to make an unlimited ride pass worthwhile or do not want to take the chance of “losing” days when they do not travel by subway or bus.

Use of a 5-day flexible pass by this group appears to have little or no impact on fare revenue to the MTA. Regular per-ride MetroCard users currently take 2.24 trips per day on days that they use transit and pay about \$3.14 per day for their fares on days that they use transit. A 5-day flexible pass priced at \$16 costs \$3.20 per day – virtually the same as they are now paying.

- **7-day pass users who currently use the pass six or seven out of the 7 days.** This group comprises 18% of riders switching to a flexible pass. They are currently paying \$2.83 per day (if used 6 days a week) or \$2.43 per day (if used 7 days a week). They would be paying \$3.10 per day with the flexible pass. In

switching, these riders would trade flexibility and ease of mind for a somewhat higher cost.

- **30-day pass users, who account for 5% of riders switching to a flexible pass.** Three-fifths of those moving from a 30-day to a flexible pass use transit 20 to 22 days a month. Their costs would be only about a nickel a day more after they switch. This group appears willing to pay slightly more for benefit of not “losing” days that they do not take transit.

The MTA will lose fare revenue from the following rider segments that say they would switch to a flexible pass priced at \$16:

- **7-day pass users who travel five of the seven days.** These riders represent 13% of riders who would switch to a flexible pass. They would pay \$16 a week (\$3.20 per day) instead of \$17 a week (\$3.40 per day) after switching to a flexible pass.
- **One-day card users, who represent 14% of those who would switch to a 5-day flexible pass.** They would save money, spending \$3.10 per day with the flexible pass instead of \$4 per day with a one-day pass. They represent the largest revenue loss for the MTA.

Profile of riders who would switch to a flexible pass costing \$16

Pass and # days used	Distribution of riders switching to flexible pass	Currently pay in fares per day of transit use	Change in fares paid per day of transit use
Regular MetroCard	38%	\$ 3.14	\$ 0.06 more
7-day pass			
If used 5 days	13%	\$ 3.40	\$ 0.20 less
If used 6 days	8%	\$ 2.83	\$ 0.37 more
If used all 7 days	10%	\$ 2.43	\$ 0.77 more
30-day pass			
If used 20 days	3%	\$ 3.15	\$ 0.05 more
If used 26 days	2%	\$ 2.42	\$ 0.78 more
If used all 30 days	0.4%	\$ 2.10	\$ 1.10 more
One-day pass			
Used one day	14%	\$ 4.00	\$ 0.80 less
Tokens	7%	*	--
Cash	1%	*	--
Other MetroCard	5%	*	--
Total	100%		

*Small sample size

Base: 236 respondents who say they would switch to 5-day flexible pass costing \$16.

The table on the previous page profiles each rider segment and how switching to a flexible pass would affect the amount they pay in fares.

Netting out these different rider segments, we estimate that total MTA fare revenue would increase 0.3% with introduction of the flexible pass. Within the uncertainties inherent in any projection of ridership and revenue changes from introducing a new type of pass, this estimate represents essentially a break-even point for MTA revenue. As noted earlier, to the extent that buyers of the flexible pass use transit on additional days compared with their current habits, MTA revenue could increase.

Replace lost/stolen card

The primary riders who would switch to a 30-day pass if they could replace a lost or stolen card appear to be regular per-ride MetroCard users and 7-day pass users. These riders would be attracted to the 30-day pass because they would not have to worry about losing some or all remaining days of the pass if the pass was stolen or if they lost or misplaced it. As shown earlier, this fear is a major deterrent to buying the 30-day pass.

The table below shows that regular per-ride MetroCard users and 7-day pass users indicated in the survey that replacing lost/stolen unlimited ride cards was the possible improvement most important to them. Switching behavior is likely to mirror this distribution.

Profile of riders giving priority to replacement of lost/stolen unlimited ride cards

	Distribution of riders possibly switching to 30-day pass with lost/stolen replacement	Currently pay per month	Change in fares paid per month
Regular per-ride MetroCard	27%	\$ 55.24	\$ 7.76 more
7-day pass	24%	\$ 72.93	\$ 9.93 less
30-day pass	17%	\$ 63.00	No change
One-day pass	4%	*	--
Tokens	6%	*	--
Cash on bus	9%	*	--
Other MetroCard	12%	*	--
Total	100%		

*Small sample size

Base: 161 respondents who say that replacing lost or stolen unlimited ride MetroCards is the most important of four possible improvements to the fare (Q44).

Regular per-ride MetroCard users are likely to spend more in fares if they switch to a 30-day pass, and 7-day pass users are likely to spend less in fares. From an MTA revenue perspective, these gains and losses will approximately cancel out. Some number of token users and cash users may also switch and are likely to produce revenue gains for the MTA.

On the basis of this analysis, we preliminarily conclude that offering the replace lost/stolen 30-day cards will have negligible revenue impacts for the MTA.

It is quite possible that the revenue impact will actually be positive. Our revenue estimates assume, conservatively, that 7-day pass users buy the 30-day pass only for times that they would currently use a 7-day pass. In actuality, 7-day pass users may buy a 30-day pass for periods that include vacation periods or times that they fall ill. Their switching to a 30-day pass may be closer to revenue neutral for the MTA, and thus the overall impact of replacement of lost/stolen cards may be slightly revenue positive.

It is notable in this context that the MTA has recently taken steps to encourage use of the 30-day pass, such as offering the “premium MetroCard” through the TransitChek program. Offering to replace lost/stolen 30-day cards would be consistent with these other steps to encourage use of the 30-day pass.

Bi-weekly pass

A bi-weekly pass would attract riders who are attracted to a 30-day pass but feel the \$63 cost is too much to pay up front. Regular per-ride MetroCard users and 7-day pass users indicated in the survey that replacing lost/stolen unlimited ride cards was the improvement most important to them, as shown in the table on the next page. Assuming a similar distribution would actually switch to a bi-weekly pass produces a slight revenue gain for the MTA. Additional fares paid by per-ride MetroCard users who would spend and ride more offset the loss of revenue from savings realized by 7-day riders. This assumes that the bi-weekly is priced at \$31.50, one-half the cost of the 30-day and less than the cost of two 7-day passes.

This analysis should be viewed as preliminary in light of the small sample size for this group.

Profile of riders giving priority to bi-weekly pass

	Distribution of riders possibly switching to bi-weekly pass	Per two weeks	
		Currently pay	Change in fares paid per month
Regular per-ride MetroCard	38%	\$ 25.78	\$ 5.72 more
7-day pass	43%	\$ 34.00	\$ 2.50 less
30-day pass	3%	\$ 29.40	\$ 2.10 more
One-day pass	6%	*	--
Tokens	4%	*	--
Cash on bus	3%	*	--
Other MetroCard	3%	*	--
Total	100%		

*Small sample size

Base: 69 respondents who say that a bi-weekly pass is the most important of four possible improvements to the fare (Q44).

B. MTA Expense Analysis

Implementation of additional passes and the lost/stolen replacement feature for 30-day cards has implications not only for MTA fare revenues but also MTA expenses. This section discusses the likely impacts.

Administration of program to replace lost/stolen 30-day cards

A program to replace lost or stolen 30-day costs will incur administrative expenses. Program expenses will depend on how the program is set up. Several options might be considered.

Currently, the MTA offers to replace lost or stolen reduced fare 30-day cards available to seniors and disabled riders. These 30-day MetroCards are issued as photo ID cards. The cards serve the dual role of identifying riders as eligible for reduced fares and providing a 30-day unlimited ride pass. This program could be extended to users of the full-fare \$63 30-day passes as well. While we were unable to obtain administrative costs for the current reduced-fare program, it appears that the application process and administration of a photo ID could be a relatively labor-intensive approach in replacing lost/stolen 30-day passes.

Another approach would be to let riders “register” the serial number on their 30-day cards, perhaps with a PIN number, each time they purchase a card. Registration could

be automated via a telephone system and/or through the Internet. If the card is lost or stolen, riders could again use an automated system to report the loss of the card. The MTA could automatically de-activate the card and mail the customer a new card, good for the remaining number of days on the lost/stolen card. As with the reduced-fare program, the personnel and other costs associated with such a program are not known.

A variant on this approach would be to let riders refill their 30-day cards. Current MetroCards could be programmed to permit this practice. This approach would be more efficient for both riders and the MTA. Riders would only need to register a new card approximately once a year and would refill the card each month.

It should be noted that limiting the lost/stolen card replacement program to 30-day cards limits the size and cost of the program. Only 6% of all unlimited ride MetroCards sold are 30-day cards.

MetroCard purchasing transactions

A significant objective of the MetroCard program has been to encourage riders to buy higher-value cards and reduce the number of transactions at MetroCard vending machines and token booths. Transaction volume affects expenses associated with maintaining the equipment, collection and inventory control of bills and coins and inventory control of the MetroCards themselves. The number of MetroCard vending machines and token clerks needed in the system are also governed by transaction volumes.

The additional passes and possibly abolishing the bonus on purchases of \$15 or more have implications for transaction volumes and associated costs. If the bonus is abolished, more riders may purchase fare media in smaller amounts, driving up the number of transactions. On the other hand, attracting riders who currently use a regular per-ride MetroCards or 7-day passes to a bi-weekly pass or the 30-day pass (through a replacement program) would reduce the number of transactions. Many users of the one-day pass would switch to the 5-day flexible pass, also reducing transaction volumes. The net effect is difficult to determine at this point. Potential costs or cost savings are also unknown.

Reprogramming for new passes

Evidently, computer software that operates the MetroCard system would need to be reprogrammed to add a 5-day flexible pass to the line-up of unlimited ride passes. This reprogramming would likely involve the system vendor. The cost is not known.

It is also believed that a bi-weekly pass could be offered without the need for reprogramming. Presumably, the \$1.50 fare can be reduced to \$1.40 and the bonus eliminated without significant costs to make these changes.

Service needs

Possibly the largest impact on MTA expenses is the additional ridership that may be generated by an improved fare structure. Since the start of the MetroCard fare discounts and passes, subway ridership has increased 24% and the MTA has added 11% in service; bus service has been increased 28% in response to a 47% increase in ridership.

The survey collected qualitative information to assess the relative potential of various fare system changes to increase ridership. We have not, however, quantified estimates of ridership growth. The likely impact on service needs is thus difficult to determine.

Two qualitative observations can be made, however. First, it is likely that most of the additional ridership would occur at non-peak times, e.g., midday, evenings and weekends. The subway and bus system has some excess passenger capacity at these times and there would thus be no appreciable impact on service needs. The huge growth in ridership since 1997, however, has meant that even off-peak riders can experience standing-room-only conditions. To the extent that changes to the fare structure spur additional ridership at these times, additional service would be needed.

This additional need would likely be offset, however, if the MTA proceeds with raising overall fare levels. A fare increase of as much as 33% (to a \$2.00 base fare), as has been discussed, would reduce ridership by up to 7% in ballpark terms.¹ The decline is likely to be greater in the off-peak since ridership is more sensitive to fare changes for non-work trips than work trips.

C. Implications

A package of fare changes that includes the addition of flexible multi-day passes and bi-weekly passes and replacement of lost and stolen 30-day passes appears likely to have little – or even a small positive – revenue impact for the MTA. Further analysis is needed, however, to more precisely quantify the likely impacts.

Impacts on MTA expenses are less clear. Some additional expenses will be incurred in administering a program to replace lost or stolen 30-day cards. The impacts on MetroCard transaction volumes and service needs is difficult to project and deserving of further analysis.

¹ This assumes an elasticity of -0.20, the approximate elasticity used by the MTA in previous fare increases.

VII. RECOMMENDATIONS

Fare incentives such as the unlimited ride passes and free transfers between subways and buses spurred an unprecedented increase in transit ridership in New York City from 1997 to 2001. New Yorkers from nearly all walks of life saved money, gained greater mobility, a greater freedom of movement and convenience in paying the transit fare. Transit use for shopping, entertainment and other non-work trip purposes increased tremendously in large part due to the fare incentives. Many New Yorkers changed how they move about the city.

This study shows that there are opportunities to continue this progress. The process of making transit a more attractive and convenient means of transportation through reform of the fare structure should continue. The sagging economy and possibility of a fare increase early in 2003 makes it all the more imperative to ensure that steps are taken to give New Yorkers the best possible value for their fare dollar.

The opportunities to improve the current fare structure arise from several problems with the current system.

First, the current “rules” for unlimited ride passes pose unnecessary impediments that discourage riders from buying passes. The 7-day and 30-day passes are good only for a continuous period of 7 or 30 days, and expire at the end of that period. Pass users risk losing days if they become sick, if they travel out of town unexpectedly or if their travel needs change for other reasons. Substantial numbers of riders do not purchase passes for this reason.

Second, the 30-day pass requires a substantial up-front payment (\$63). This sum discourages some riders, particularly low-income riders, from buying the pass. It also discourages riders who fear losing or misplacing their card and thus forfeiting its value.

Third, the current fare structure is regressive. Lower-income riders are more likely to pay the full fare of \$1.50 than upper-income riders. Particularly regressive in their effects are the 10% bonus on MetroCard purchases of \$15 or more, and the 30-day pass as currently implemented.

Fourth, three-quarters of transit riders do not have access to the TransitChek program, which can save them hundreds of dollars a year.

These issues with the current fare structure can be corrected. The following recommendations are made for improving the subway and bus fare:

- 1) ***Offer unlimited ride “flexible multi-day” passes that are good for nonconsecutive days.*** Sixty-three percent of riders in the survey said that a flexible day pass would be a “major improvement” for them personally. With this pass, riders would not “lose” days that they do not travel by subway or bus, as they do with the current 30-day and 7-day passes.

- 2) ***Replace lost or stolen 30-day unlimited ride MetroCards.*** Replacing lost or stolen 30-day cards for all riders (not only to senior and disabled half-fare riders as is currently done) would boost sales of the 30-day passes.
- 3) ***Offer a bi-weekly unlimited ride pass good for 14 days.*** A bi-weekly pass priced at \$31.50, one-half the cost of the monthly pass, would make the savings of the monthly pass more accessible to these lower-income riders.
- 4) ***Eliminate the 10% bonus on MetroCard purchases of \$15 or more and reduce the \$1.50 base fare to \$1.40 for all MetroCard purchases.*** This change would benefit lower-income riders and produce a more equitable fare structure.
- 5) ***Aggressively promote "TransitChek."*** This program can save workers \$400 or more a year with the federal government footing most of the bill. Unfortunately, a large majority of employees are unable to take advantage of this money saving program; only 23% of employed survey respondents say their employer offers TransitChek. MTA, State and City officials should commit to enrolling additional employers so that by 2004, 50% of employees in New York City can avail themselves of TransitChek benefits.

These changes would increase ridership and increase use of unlimited ride passes. We project that 45% of all riders would use an unlimited ride pass (5-day flexible, one-day, 7-day, 14-day or 30-day), up from 36% today. The proportion of low-income riders using passes would increase from 37% to 46%. In addition, 13% of low-income riders would benefit through a reduced fare on MetroCard purchases of under \$15. Thus, 57% of all riders and 59% of low-income riders would benefit through the passes (new or existing) or elimination of the bonus, producing a more equitable fare system.

Several issues should be addressed by the MTA in the implementation of these recommendations. These include:

- Impact on service levels to accommodate additional riders
- Impact on the number of MetroCard purchase transactions
- Development of a simple mechanism to replace lost/stolen 30-day passes
- MetroCard programming changes for the new passes.

With this additional analysis, a package with these changes can be constructed that is feasible within the MTA's current financial situation while accomplishing three primary goals of fare policy: increase ridership, maintain fare revenues and improve the equity of the fare system. In so doing, they would improve the mobility of New York City residents and visitors.

APPENDIX TABLES

Use of Subway and Bus

	Work/school-related trips			
	Always/ usually	Some- times	Rarely/ never	Total
Subway	72%	14%	14%	100%
Bus	42%	26%	32%	100%
Car	12%	24%	64%	100%
Walk only	5%	36%	59%	100%
Taxi/car service	4%	39%	57%	100%
Bicycle	1%	4%	95%	100%
Base	614	614	614	614

Base: Work or attend school

Q6. Now I'm going to ask about your (WORK/SCHOOL)-related travel within the five boroughs (ASK REST OF SENTENCE IF WORKING), for example, your commute to work (AND SCHOOL) or going to business meetings. What means of transportation do you always or usually take for (WORK/SCHOOL)-related travel ...

Q7. Do you sometimes or rarely/never use a (MODE) for (WORK/SCHOOL)-related travel? (ASK FOR MODES NOT NAMED IN Q6)

	Personal trips			
	Always/ usually	Some- times	Rarely/ never	Total
Subway	53%	28%	19%	100%
Bus	38%	31%	31%	100%
Car	32%	26%	42%	100%
Walk only	11%	60%	29%	100%
Taxi/car service	10%	41%	49%	100%
Bicycle	1%	7%	92%	100%
Base	805	805	805	805

Base: All

Q10. Now I'm going to ask about your PERSONAL travel within New York City, for example, trips you take to run errands, shop or visit with friends. What means of transportation do you always or usually take for personal trips...

Q11. Do you sometimes or rarely/never use a (MODE) for personal trips? (ASK FOR EACH MODE NOT NAMED IN Q10)

Fare purchasing behavior

	Q25. Purchased in past 30 days	Q26. Use most often to pay the fare
Regular per-ride MetroCard	53%	36%
Costs \$15 or more (Q27)	(a)	22%
Costs less than \$15 (Q27)	(a)	13%
Unlimited Ride Passes	53%	36%
7 day unlimited ride MetroCard (\$17 cost)	28%	21%
30 day unlimited ride MetroCard (\$63 cost)	13%	10%
One day unlimited ride MetroCard (\$4 cost)	26%	4%
Cash or tokens	42%	18%
Cash on bus	30%	11%
Tokens	23%	7%
Other type of MetroCard	(a)	10%
Total	(b)	100%
Base	805	805

Base: All

(a) Not asked for past 30 day purchases

(b) Figures add to more than 100% due to multiple responses

Q25. In the past 30 days, have you purchased ...

Q26. What do you use most often to pay the fare?

Q27. Do you most often use a MetroCard that cost less than \$15 or a MetroCard that cost \$15 or more?

How riders most often pay the fare, by household income

	Total	Under \$25,000	\$25,000 - 49,999	\$50,000 - 75,000	\$75,000 and over
Regular per-ride MetroCard	36%	28%	35%	36%	52%
Costs \$15 or more	22%	13%	21%	30%	39%
Costs less than \$15	13%	15%	14%	7%	14%
Unlimited Ride Passes	36%	37%	41%	43%	25%
7 day unlimited ride MetroCard (\$17 cost)	21%	27%	26%	22%	8%
30 day unlimited ride MetroCard (\$63 cost)	10%	4%	10%	18%	17%
One day unlimited ride MetroCard (\$4 cost)	4%	6%	6%	2%	0%
Cash or tokens	18%	26%	15%	15%	9%
Cash on bus	11%	17%	7%	9%	3%
Tokens	7%	9%	8%	6%	6%
Other type of MetroCard	10%	9%	8%	7%	14%
Total	100%	100%	100%	100%	100%
Pay full \$1.50 fare	31%	41%	29%	21%	22%
Use bonus or pass	58%	50%	63%	72%	64%
Other type of MetroCard*	10%	9%	8%	7%	14%
Base	805	202	249	122	103

*May or may not include fare incentives

Based on Q26 and Q27.

Base: All.

Factors for buying regular per-ride MetroCard

Q32. How important are each of the following to you personally for buying a regular per-ride MetroCard instead of a 7-day unlimited ride card?	Very important	Some-what important	Not important	Total	Base
Being able to use the card for longer than a week	53%	18%	29%	100%	287
Not being sure how much you'll travel by subway and bus in the next week	50%	20%	30%	100%	287
Not traveling enough	45%	23%	32%	100%	287
The price of the 7-day card	27%	23%	51%	100%	287

Base: Most often use regular per-ride MetroCard to pay the fare

Factors for buying 7-day pass

Q33. How important are each of the following to you personally for buying a 7-day card instead of a 30-day card?	Very important	Some-what important	Not important	Total	Base
The possibility of losing the card	67%	14%	19%	100%	173
Not being sure how much you'll travel by subway and bus in the next month	42%	23%	35%	100%	173
The price of the 30-day card	38%	20%	43%	100%	173

Base: Most often use 7-day unlimited ride MetroCard to pay the fare

Factors for buying 30-day pass

Q34. How important are each of the following to you personally for buying a 30-day card instead of a 7-day card?	Very important	Some-what important	Not important	Total	Base
Saving money	76%	18%	6%	100%	82
Not standing in line	60%	22%	18%	100%	82
Not worrying about when the card expires	54%	29%	17%	100%	82

Base: Most often use 30-day unlimited ride MetroCard to pay the fare. Note small base size (82).

Importance of price of 30-day card as reason to buy 7-day card, for riders with household incomes under \$35,000

Q33. How important are each of the following to you personally for buying a 7-day card instead of a 30-day card	Very important	Some-what important	Not important	Total	Base
The possibility of losing the card	66%	14%	20%	100%	85
Not being sure how much you'll travel by subway and bus in the next month	39%	24%	38%	100%	85
The price of the 30-day card	45%	15%	40%	100%	85

Base: Most often use 7-day unlimited ride MetroCard to pay the fare and household income under \$35,000. Note small base (85).

Ridership impact of unlimited ride passes

Q35. When you are using an unlimited ride MetroCard, such as the one-day, 7-day or 30-day cards, do you take trips by subway or bus that you would not take if you paid a separate fare for each trip?	
Yes	60%
No	40%
Total	100%
Base	290
(Of those saying yes) Q36. Would you say you take ...	
Many more trips	21%
Some more trips	19%
A few more trips	21%

Base: Most often use one-day, 7-day or 30-day unlimited ride MetroCard to pay the fare

Ridership impact of free transfers

Q 39. When you are using a MetroCard and get free transfers between bus and subway, do you take trips by subway or bus that you would not take if you did not get the free transfers?	
Yes	46%
No	54%
Total	100%
Base	250
(Of those saying yes) Q40. Would you say you take ...	
Many more trips	14%
Some more trips	16%
A few more trips	16%

Base: Most often use regular per-ride MetroCard to pay the fare

Ridership impact of bonus on purchases of \$15 or more

Q 37. When you are using a MetroCard costing \$15 or more and get bonus trips, do you take trips by subway or bus that you would not take if you did not get the bonus trips?	
Yes	31%
No	69%
Total	100%
Base	179
(Of those saying yes)	
Q38. Would you say you take ...	
Many more trips	7%
Some more trips	11%
A few more trips	14%

Base: Most often use regular per-ride MetroCard costing \$15 or more to pay the fare

Reaction to Possible Improvements to Fare Structure

	Major Improvement	Minor Improvement	Not an Improvement	Total	Base
Replace a lost or stolen unlimited ride MetroCard.	63%	16%	21%	100%	805
Bi-weekly unlimited ride MetroCard good for 14 days	34%	26%	40%	100%	805
Use a 7-day unlimited ride MetroCard for any seven days you choose, not necessarily consecutive days	63%	15%	22%	100%	805
Use a free transfer to leave the subway system and re-enter the subway system within two hours	62%	18%	20%	100%	805

Base: All

Q41. Now let's talk about some possible ways to improve the MetroCard. Tell me whether each of the following possible improvements would be a major improvement, minor improvement or not an improvement for you personally. Would (READ EACH ITEM) be a major improvement, minor improvement or not an improvement for you personally?

A Being able to replace a lost or stolen unlimited ride MetroCard.

B Being able to purchase a bi-weekly unlimited ride MetroCard good for 14 days

Q42. Currently, a 7-day unlimited ride MetroCard expires seven days after you first use it. In other words, it is valid for seven consecutive days. Would being able to use a 7-day unlimited ride MetroCard for any seven days you choose, not necessarily consecutive days, be a major improvement, minor improvement or not an improvement for you personally?

Q43. Currently, a regular per ride MetroCard gives you a free transfer between buses and between a bus and subway for up to two hours after you first board the bus or subway. Would being able to use a free transfer to leave the subway system and re-enter the subway system within two hours be a major improvement, minor improvement or not an improvement for you personally?

Most Important of Possible Improvements to Fare Structure

Q44. Which one of these improvements to MetroCard would be most important to you? Would you say...	Most important improvement
Being able to use a 7-day unlimited ride MetroCard for any seven days you choose, not necessarily consecutive days	40%
Being able to use a free transfer to leave the subway system and re-enter the subway system within two hours	28%
Being able to replace a lost or stolen unlimited ride MetroCard.	23%
Being able to purchase a bi-weekly unlimited ride MetroCard good for 14 days	10%
Total	100%
Base	713

Base: Respondents for whom at least one of the options would be a “major improvement” for them personally. Excludes 92 respondents who indicated that none of the four possible improvements would be a “major improvement for me personally.”

Impact of Possible Improvements to Fare Structure on Transit Ridership

<i>Most important improvement from previous question</i>	Would travel by subway/bus			Total	Base
	More	Less	About the same		
Being able to use a 7-day unlimited ride MetroCard for any seven days you choose, not necessarily consecutive days	45%	0%	55%	100%	282
Being able to use a free transfer to leave the subway system and re-enter the subway system within two hours	49%	2%	49%	100%	201
Being able to replace a lost or stolen unlimited ride MetroCard.	21%	2%	78%	100%	161
Being able to purchase a bi-weekly unlimited ride MetroCard good for 14 days	44%	1%	55%	100%	69

Q45. If you were (ANSWER TO Q44 OR IF NOT ASKED, WHICHEVER WAS A “MAJOR IMPROVEMENT.” DROP “BEING” FROM WORDING), would you personally travel by subway and bus more, less or about the same?

Base: Respondents for whom at least one of the options would be a “major improvement” for them personally.

Switch to Flexible Pass

	Most likely method of fare payment use next time pay the fare (Q48)				All
	Regular per-ride Metro-Card	7-day Metro-Card	30-day Metro-Card	Cash & tokens	
If flexible pass cost \$16					
Switch to 5-day unlimited ride MetroCard that you could use for any five days you choose, costing \$16	33%	36%	13%	21%	29%
Stay with current method of paying fare	66%	63%	85%	74%	69%
Use other fare payment method	1%	1%	2%	5%	2%
Total	100%	100%	100%	100%	100%
If flexible pass cost \$18					
Switch to 5-day unlimited ride MetroCard that you could use for any five days you choose, costing \$18	16%	19%	6%	13%	17%
Stay with current method of paying fare	83%	80%	93%	81%	81%
Use other fare payment method	1%	1%	1%	5%	3%
Total	100%	100%	100%	100%	100%
Base	274	199	94	97	805

Base: All

Suppose that you could buy a 5-day unlimited ride MetroCard that you could use for any five days you choose. The days would not need to be consecutive days.

Q51A. Suppose that this new 5-day card cost \$16. What would you be most likely to buy the next time you buy a MetroCard?

- 1 (INSERT ANSWER TO Q48) or
- 2 The new type of 5 day pass costing \$16

Q52A. Suppose that this new 5-day card cost \$18. What would you be most likely to buy the next time you buy a MetroCard?

- 1 (INSERT ANSWER TO Q48) or
- 2 The new type of 5 day pass costing \$18

Q48. The next time you buy something to pay the fare with, are you most likely to buy ...

How use of subway/bus would change with 5-day flexible pass, among riders who would switch to this option

	Would travel by subway/bus			Total	Base
	More	Less	About the same		
Would switch to 5-day unlimited ride card costing \$16	37%	1%	62%	100%	236
Would switch to 5-day unlimited ride card costing \$18	45%	2%	52%	100%	134

Base: Would switch to 5-day card.

Q51B. Would you use subways and buses more, less or about the same?

Q52B. Would you use subways and buses more, less or about the same?