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Title

Public Transit's Dirty Little Secret: Most Transit Users Are Poor

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Strong public and political support for mass transit in the U.S. is motivated by many worthy goals, including the sustainability, reduction of congestion, economic development, and even aesthetics. Yet the pursuit of such broad and varied objectives makes it difficult to assess transit's actual performance. This study addresses this potential conflict by clarifying the answers to three essential questions:

- Who are today's largest consumers of transit service?
- What are the principal goals of public transit agencies?
- How do transit's actual spending and policy priorities align with transit's stated goals and the needs of its "core customers"?

RECOMMENDATION

We conclude that a redirected focus toward transit's core customer base of low-income people offers the best way to improve financial standing, service effectiveness, and ridership. An example from the private sector is instructive: Walmart, a company whose customer base consists primarily of low-income people, would never stock up on upscale luxury goods that appeal to the company's wealthy shareholders. Walmart focuses with single-minded precision on products that appeal to its main customer base of people of modest means, and transit agencies would do well to emulate this highly successful company by making a clear distinction between their shareholders (a broader voting public with a preference for commuter rail) and their core customers (transit riders with limited incomes who rely on buses).



STUDY

Our novel empirical contribution to this topic is an examination of the formal mission statements of a random sample of 50 U.S. transit operators. These findings are placed into context with data from several sources: the 1977, 1983, and 1990 National Personal Transportation Surveys; the 1995, 2001, and 2009 National Household Travel Surveys; and transit data from both the American Public Transportation Association and the U.S. Department of Transportation's National Transit Database.

MAIN FINDINGS

- **Buses serve the poor.** While rail transit riders overall are approximately as wealthy as private vehicle travelers, bus patrons have far lower incomes and this disparity between bus and rail travelers is growing over time.
- **There is no consistent set of goals common to a majority of US transit agencies.** We identify 20 distinct goals across 50 agencies, and even the most frequently mentioned goal of providing mobility to all citizens was cited by only 40% of the agencies.
- **Transit spending priorities have been slanted away from bus service in recent decades and directed towards commuter-oriented rail services favored by wealthier travelers, even though most members of this group rarely ride transit.** If agencies continue to divert resources to rail and commuter-oriented services at the expense of less-expensive bus service, transit performance will most likely decline further.
- **Though it might seem logical that affluent riders are more responsive to enhancements in transit service than “transit-dependent” riders with lower incomes, the evidence shows that the poor are in fact highly responsive to service improvements.** Measures such as increasing bus frequencies, expanding center city bus networks, and especially cutting bus fares have been shown to be powerful stimuli for increasing ridership.



Yoh, Allison, Brian D. Taylor, and John Gahbauer. 2012. "Does Transit Mean Business? Reconciling academic, organizational, and political Perspectives on Reforming Transit Fare Policies," *University of California Transportation Center*.