Low-Income Fare by the Numbers

How a more affordable MBTA will benefit Massachusetts
A LOW-INCOME FARE AT THE MBTA WOULD BOLSTER STRUGGLING MASSACHUSETTS FAMILIES WITH $500 ANNUAL SAVINGS PER RIDER

Every week, people in Massachusetts take more than 3.5 million trips on the MBTA to get to work, get their children to school or daycare, run errands, access healthcare, and more.

Yet for many riders, getting on board is simply not affordable. High transit fares limit mobility and constrain family budgets, worsening the impacts of poverty and inflation. A low-income fare program would increase our regional prosperity by returning an average of $500 a year per rider to thousands of families who are struggling to get by, from Plymouth to Boston to Lowell.

REPORT HIGHLIGHTS

• A reduced-fare program would save low-income riders about $500 each for a total of more than $30 million.
• More than 60,000 riders could benefit.
• Users of The RIDE could afford to take up to 200,000 more trips, if fares were reduced for low-income people.
• Reduced fare for low-income riders on the commuter rail could attract new riders who can’t currently afford this service, increasing mobility and generating new revenue.
• The Legislature can ensure transit affordability for all riders by passing a low-income fare now.
REDUCED FARES WOULD BENEFIT THOUSANDS OF RIDERS ON BUS, SUBWAY, AND COMMUTER RAIL

- According to MBTA estimates, more than 60,000 riders could benefit from a reduced-fare program. According to MBTA estimates, more than 60,000 riders could benefit from a reduced-fare program.3
- Low-income people and communities of color rely on the MBTA to get around, even during times of crisis.
  - During the COVID pandemic, many white-collar workers stopped using the MBTA because they were able to work from home or switch to their cars to get around.
  - Frontline workers, who are disproportionately low-income and people of color, continued to rely on the MBTA for basic mobility.
- Pre-pandemic, 29% of MBTA riders were low-income, and 34% were riders of color. By April 2020, as COVID transformed life in Massachusetts, these riders made up about half of all ridership.
  - Even as the pandemic progressed, the percentage of low-income riders remained elevated, as many higher-paid, white-collar workers continued to work remotely.
- As an MIT study has shown, a reduced fare increases low-income riders’ use of MBTA services by about 30% more trips overall, including more trips to access healthcare and social services.
• Lowering the fare would allow current riders to use the MBTA more often, and could bring new riders on board.
  ○ There are more than 460,000 people in the MBTA region living at or below the poverty level.\(^4\)
  ○ Low-income people make up only 7% of commuter rail riders, even though lines service a number of communities with elevated poverty rates.\(^5\)

Low-income riders on bus, subway and commuter rail would save 50% or more with a reduced-fare program, for an average savings of $500 per year.

$500 more will help me and others worry less about providing food for the household and paying rent as head of the house, and that is something for the MBTA administration and our legislators to think hard about. To think that I could save $500 more every year would change the way my family makes decisions. We won’t have to choose between cutting self-care, healthy foods, or house amenities like Wi-Fi speed, and taking the T to my job. We would be able to do both without cutting corners and compromising.”


**FARES DISPROPORTIONATELY BURDEN LOW-INCOME PEOPLE AND PEOPLE OF COLOR**

Fares are among the most regressive of possible funding sources, requiring low-income riders to pay a higher percentage of their income to ride than riders with more resources.

![Percent of income spent on transit](chart.png)
A rider in the top 20% of Massachusetts earners (for example, an individual with a $150,000 salary) will spend less than 1% of their income to purchase a monthly LinkPass each month of the year. A rider who works full time and earns the state median income will spend four times more, considered as a percentage of income. A rider with income at the federal poverty level will pay almost 8% of their income for the same fare product.\(^6\)

Low-income riders include many riders of color. Structural racism, including exclusion from good paying jobs and lack of opportunities to accumulate wealth, means that people of color are over-represented among the lowest earning households. In Massachusetts, poverty rates are much higher in Black, Latin, Native American, and Asian American populations, compared to white populations.\(^7\)

A low-income fare is a common sense policy to advance racial and economic equity.

As a bus driver, my goal is to get the passengers from Point A to Point B safely and on time. When my passengers get on, they tell me why they can’t pay the fare and I have heard a lot of stories. You know who gets on your bus when you live in the neighborhood. And you know these passengers are going through a difficult time. I feel that a lot of hard-working people have a hard time paying bills. I know a lot of families will benefit from the low-income fare."

– Ed Cora, MBTA Bus Operator and Boston Carmen’s Union Member
A LOW-INCOME FARE WOULD PUT FUNDS BACK IN THE POCKET OF LOW-INCOME FAMILIES, WHILE INCREASING THEIR MOBILITY

According to the MBTA’s most recent data:

$500 average annual savings for fixed-route riders

Riders could afford up to 200,000 more trips on The RIDE. This would increase mobility for seniors and people with disabilities.

More than $30 million annually back in the pockets of low-income riders through a low-income fare program.

NOW IS THE TIME TO MAKE LOW-INCOME FARE A REALITY.

- Governor Healey’s budget includes $5 million to start up a low-income fare program at the MBTA.
- The Massachusetts Legislature must:
  - Keep funding for a low-income fare program in its final FY2024 budget.
  - Pass legislation to ensure a low-income fare is available to riders on a permanent basis.
    - Low-income fare legislation has been passed by the Legislature before but was vetoed by the former governor. Recently elected Governor Healey has pledged her support for a low-income fare, so our elected officials can move this legislation without fear of a veto.
- The MBTA Board must:
  - Include funding for establishing a low-income fare program in the authority’s FY2024 budget.

By standing together for transit affordability, we can ensure a future in which all of us can afford to get where we need to go.
ENDNOTES

1 To calculate trips, we used weekday trip data from December 2022 posted at https://www.mbtabackontrack.com/performance/#/home, plus weekend rapid transit ridership data from the weekend of December 10-11, 2022 at https://mobility-massdot.hub.arcgis.com/#transit_ridership. This figure does not include ferry trips, or weekend trips on bus (except Silver Line) or commuter rail.

2 All data on program cost and savings to riders quoted or calculated from Lynsey M. Heffernan, Steven Povich, David Churella, “Fare Affordability: Board Update,” October 27, 2022, https://cdn.mbta.com/sites/default/files/2022-10/Fare%20Affordability%20Board%20Slides%20October%202022%20vF.pdf.


4 US Census Bureau, American Community Survey and Quick Facts data.


