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\(^1\) 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. A low-income fare program would increase our regional prosperity by returning nearly $500 a year \textbf{per rider} to thousands of families who are struggling to get by, from Plymouth to Boston to Lowell.

\textbf{REPORT HIGHLIGHTS}

- A reduced-fare program would save low-income riders about $500 each for a total of almost $50 million.
- More than 90,000 riders could benefit.
- Users of The RIDE could afford to take up to 415,000 more trips, if fares were reduced for low-income riders.
- Reduced fare for low-income riders on the commuter rail could attract new low-income 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 **90,000 riders** could benefit from a reduced-fare program.²
- Low-income people already make up a large proportion of rapid transit and bus riders.
  - During the pandemic, about **40% of MBTA riders were low-income**.³
- 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.⁴
- Lowering the fare would not only allow current riders to use the MBTA more often, but could bring new riders on board.
  - Fully 25% of municipalities served by bus, rapid transit, and commuter rail have poverty rates above the statewide rate of 9.4%.⁵
  - Currently, low-income people make up only 7% of commuter rail riders, even though lines service a number of communities with elevated poverty rates.⁶
Low-income riders on bus, subway and commuter rail would save 50% or more with reduced-fare program, for an average savings of nearly $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."


LOW-INCOME RIDERS STRUGGLE TO AFFORD THE MBTA

The cost of riding has risen faster than inflation, making costs unsustainable.

Cash and CharlieCard fares compared to inflation, 2000-2020
Low-income workers across industries work more than 60 hours per year to earn enough to buy 12 monthly LinkPasses.\(^7\)

<table>
<thead>
<tr>
<th>Industry</th>
<th>Average Hours Worked</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minimum Wage Worker</td>
<td>75.8 hours</td>
</tr>
<tr>
<td>Healthcare Support</td>
<td>67.0 hours</td>
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<tr>
<td>Food Preparation &amp; Serving Related</td>
<td>75.8 hours</td>
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<tr>
<td>Transportation &amp; Material Moving</td>
<td>63.2 hours</td>
</tr>
<tr>
<td>Personal Care &amp; Service</td>
<td>68.8 hours</td>
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<tr>
<td>Sales &amp; Related</td>
<td>67.8 hours</td>
</tr>
<tr>
<td>Building &amp; Grounds Cleaning &amp; Maintenance</td>
<td>61.6 hours</td>
</tr>
</tbody>
</table>

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 own data:

- Average annual savings for bus and subway riders: $475
- Average annual savings for commuter rail riders: $875

Nearly $50 million annually back in the pockets of low-income riders through a low-income fare program.

Riders could afford up to 415,000 more trips on The RIDE. This would increase mobility for seniors and people with disabilities.

According to our analysis, with a low-income fare system, there will be

- 5% increase in trips
- $2.7 million new fare revenues
The Massachusetts Legislature should move quickly to pass a low-income fare.

- This important legislation would direct the MBTA to start a permanent discounted fare program for low-income people.

- It would also open a path for Regional Transit Authorities to institute reduced-fare programs or fare-free systems, extending the benefits of transit affordability to all corners of our Commonwealth.

Our Legislature has passed low-income fare legislation once already! Quick action is required to avoid another Gubernatorial veto.

- The House and Senate agreed to include the measure in the Transportation Bond Bill they sent to the Governor last year.
  - Governor Baker vetoed the provision, along with the means to fund it.
  - Despite broad support in both chambers, there was not enough time left in the session to override the veto and write low-income fare into law.

- This session, the Legislature has another chance to advance equity by passing the measure in time to override a potential veto.
ENDNOTES

1 To calculate trips, we used weekday trip data from November 2021 posted at https://www.mmbtabackontrack.com/performance/#/home, plus weekend rapid transit ridership data from the weekend of November 20-21, 2021, at https://mobility-massdot.hub.arcgis.com/#/transit_ridership. This figure does not include ferry trips, or weekend trips on bus or commuter rail.


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


7 For salary information other than for minimum wage workers, we relied on Glasmeier, Amy K. Living Wage Calculator. 2020. Massachusetts Institute of Technology. livingwage.mit.edu. We adjusted the food preparation and serving related salary, assuming an hourly rate of $14.25 in line with the January 2022 minimum wage increase.

8 Heffernan and Stuntz, “Fare Policy Updates.” To calculate savings per rider, we divided the average revenue loss figure by the average participation figure.

9 To develop this estimate, we calculated per-trip average revenue for the commuter rail based on data reported to the Federal Transit Administration, and assumed every trip induced by the reduced fare program would garner half the average revenue. Base number of trips is for November 2021. See Federal Transit Administration, “Massachusetts Bay Transportation Authority, Annual Agency Profile,” https://www.transit.dot.gov/sites/fta.dot.gov/files/agency_profile_doc/2020/10003.pdf; T Dashboard, Ridership, https://www.mmbtabackontrack.com/performance/#/detail/ridership/2021-11-01/