

IMPACTS OF TRANSFER FARES ON TRANSIT RIDERSHIP AND REVENUE

PROBLEM STATEMENT

Transfers are used to allow passengers to move between routes or modes in one or more transit systems. Transfers give riders the flexibility to reach locations that are not provided by a direct connection within the route network. Cost constraints and system design make providing direct connections between all locations impossible; transfers will always be needed with fixed-route services. However, using transfers as part of the fare structure creates additional burden on the vehicle operator who collects the fares, the agency that provides the media and the bookkeeping, the rider that pays for the transfer, and the additional time added to the trip due to the transaction. At times, transfer policy can be quite complex with various time and/or mode limitations on transfers. A simpler approach might be to eliminate transfer fares altogether; however, short- and long-term effects of such an initiative on revenue and ridership are not always clear.

OBJECTIVES

Research was conducted to investigate how transit transfer fares and policies affect ridership and revenue, and to examine the reasoning for the implementation of these fares as it pertains to policy, budgetary, and operational issues.

Lessons learned from transit agencies about their experiences with altering fare policy, specifically regarding transfer policy, were to be compiled from a telephone survey of agencies. The survey results, along with information from a literature review and identification of currently used methodologies, were to be used to develop a set of recommendations for agencies to consider when contemplating a change in transfer fare policy.

FINDINGS AND CONCLUSIONS

Twenty-nine transit agencies from across the United States were surveyed during the course of this project. Survey feedback pertained to motivation, methodologies, and political issues. In addition, key personnel were interviewed regarding customer characteristics, agency objectives, and methodologies used during this process. The survey was used to gather pertinent lessons learned from the selected transit agencies.

The results of all research tasks in this project were compiled to develop a synthesis of the best practices in the evaluation of transfer policy/fare changes. Successful endeavors are highlighted, as well as challenges facing these types of fare structure and policy changes. Overall, the findings of this study seek to isolate specific characteristics or conditions that contribute to success, as well as those that present challenges to overall effectiveness and success. The final

report also includes recommendations related to the appropriateness of changing transfer fares/policy and the relevance of future fare collection technologies.

The results of this research are largely based on the qualitative results of the surveys. Definitive results derived through quantitative analysis were not obtainable because the changes in fare policies observed through the case studies in the survey were almost always occurring at the same time as several other events, both internal and external to the agencies. The value of the results is in the experiences and lessons learned from the agencies that participated in the study. One notable quantitative result, however, is that an agency's revenue was found to increase approximately five percent when transfers were eliminated **and** a new fare collection technology was implemented.

BENEFITS

The Florida Department of Transportation, as well as transit agencies in and beyond Florida, will benefit from the experiences and lessons learned from the 29 transit agencies that participated in this important research project. Current information on how transit agencies are changing fare policy, dealing with the issue of transfers as well as multi-ride passes, and utilizing the latest fare-collection technology is provided in the final report.

The report not only contains the candid and useful transit agency experiences as they implemented or considered implementing new fare policy and/or new fare collection technology, but it also provides insights into the current transfer policy practices around the United States. The results of this project will assist Florida agencies to assess the advantages and the disadvantages of altering fare policy, especially as it relates to transfer fares.

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