California Transit Association

Transit Watch: Public Transit in Crisis

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"As Transit Systems Brace for Cuts, the Last Recession Is a Warning"

Transit agencies are already facing a grim economic outlook amid pandemic. Data from the last recession shows how some cuts were never restored.

By Laura Bliss

As U.S. lawmakers negotiate a new stimulus plan to counter the pandemic's economic devastation, public transit leaders are calling for at least $32 billion in aid. With ridership losses ranging from 70% to 90% in major cities since March, bus and rail providers project gaping budget holes that will likely mean lasting consequences for riders and operators.

"We need federal assistance," Washington Metropolitan Transit Authority general manager and Chief Executive Officer Paul Wiedefeld said in an online news conference, where multiple agency leaders convened by the American Public Transportation Association described an industry in dire straits. "The harsh reality is without additional federal funds, it leaves us with some very difficult choices to deal with this financial crisis, ones that run counter to the economic recovery we all want to see."

Those choices may mean less transit, as agencies weigh service cuts beyond the emergency reductions they made in early spring when ridership first plummeted. While many cities have restored many of those initial reductions, lasting cuts are already arriving for some: In Seattle, King County Metro plans a 15% service reduction come fall. **In Oakland, Alameda County is mulling as high as a 30% cut. SFMTA expects to keep nearly two-thirds of bus routes suspended for at least two years.**

Policy experts say that gutting service will deepen the country's economic hole by blocking access to jobs for people who cannot get to work without transit. Currently about 5% of the nation's commuters use transit, concentrated in the largest cities.

"Some people on Capitol Hill may wish we lived in a world where everyone drives," said Beth Osborne, the director of Transportation for America. "But we don't."

Previous recessions may hold lessons for policymakers grappling with how transit fits into the current economic downturn, with gross domestic product experiencing its steepest drop in decades in the second quarter of 2020. Downturns generally increase the pool of transit-dependent workers, Osborne said, since people struggling to pay basic living expenses will often forgo car ownership before rent and other essentials. Currently the auto loan industry is anticipating a surge in defaults and repossessions. While many workers are unemployed or earning paychecks from home, once the economy reopens people who can't afford to drive will need transportation options if they need to work.

In that sense, the stakes are doubly high because those who already rely on transit are low-income people, immigrants and people of color, the same communities hit hardest by coronavirus. These groups are also even more likely to ride buses, which supply the majority of transit service across the U.S. Even with historic lows in ridership expected to continue, those who do use transit need enough departure and arrival times to accommodate trips to work and other essential routines. Crowd control is also necessary to mitigate virus risk, which could create a need for more service rather than less.

The ripple effects following the Great Recession may offer clues about what will happen if agencies are forced to make cuts. Though that crash was radically different than the one the U.S. faces today in terms of its causes and features — there was no communicable virus keeping businesses shuttered and riders off of crowded trains, for example — transit systems did cut service en masse. A 2009 survey by the American Public Transportation Association of 98 agencies, representing about half of the nation's transit riders, found that more than 60% had cut back on routes and frequency. While many of those cuts were slowly restored, not all of them were, and one mode in particular was never made whole. Bus vehicle revenue miles — the number of miles of bus service an agency provides — have only continued to decline in New York, Los Angeles, Chicago and Miami.

Those diminished schedules and unfilled maps had consequences, researchers have found. Free-falling bus ridership since 2014 in the vast majority of U.S. cities has been attributed in large part to these continued service reductions. The average commute time by public transit has also increased nationwide.

A 2013 study by the public health department in Alameda County, California — which includes the city of Oakland — reveals how this played out for one community. The local bus operator AC Transit, which at the time carried 77% riders of color, reduced service by 15% between 2009 and 2011. Out of 477 regular bus riders who were surveyed, nearly one quarter said that they did not go to work as often or at all following the cuts. "Service changes affect me because it takes me longer to get to work," one respondent said. "And if I come 30 minutes late to work, I don't get paid for that half hour, so I'm losing money."

And at least in one other city, a large employer opted not to add new jobs to a major employment center after the nearby bus route was eliminated. "When we moved into this complex, the No. 1 consideration was to be near a public-transportation line," an executive at DialAmerica told the Wall Street Journal in 2012, after the Port Authority of Allegheny County announced that it would cut 46 of its 102 bus lines due to a $64 million budget gap. The company then paused its plans to add 150 jobs to a 300-person call center, the Journal reported.

Diminished mobility for lower-income people of color is also unlikely to help racial gaps in economic outcomes, which have widened since the last recession, said Eric Goldwyn, a research scholar at New York University's Marron Institute for Urban Management.

For example, both employment and wages recovered more slowly for people of color than for white people. While there is not specific evidence linking that trend to transportation access, research has shown a connection between high-quality transit access and high-quality employment.

The extent of Covid-19's financial impact on transit is sobering. New York City's MTA expects as high as a $12.6 billion shortfall through 2021. Chicago Transit Authority is losing almost $1 million in fare revenues daily, while D.C.'s WMATA is losing twice that amount. San Francisco's MTA expects losses to top $200 million this year.

Struggling systems received $25 billion in emergency aid for operation and capital expenses through the federal CARES Act in April, but large operators say they expect those funds to last six months at most. The $1 trillion coronavirus response package introduced by Senate Republicans on July 27 extended no further aid to transit providers; House Democrats proposed $15.75 billion for transit as part of the $3 trillion stimulus they introduced in May. On Friday, the CARES Act's extra unemployment benefits expired. With people of color overrepresented in low-wage jobs most vulnerable to layoffs, their communities are set to be hurt most by that lost assistance.

Given the demographics of transit ridership, that disparity is a warning for policymakers grappling with how city buses and trains fits into the pandemic's fallout, Goldwyn said: "If you want that recovery to happen at all scales, you have to be able to help people move across the board."

See the full article and photographs here: https://www.bloomberg.com/news/articles/2020-08-03/past-recession-data-previews-deep-transit-cuts.

For more information, please contact the California Transit Association at COVID-19@caltransit.org.