



# GENFARE Equitable Mobility

## Equitable Mobility

The ability to move freely is a cornerstone of American democracy. Transportation provides the ability of Americans to pursue new opportunities in the form of jobs and education. Transportation allows us to interact, engage, and socialize. Transportation allows for us to tend to our basic needs of food, housing, and healthcare. Transportation is mobility.

Over the last several years, transportation has seen its fair share of new apps and algorithms that are supposed to innovate mobility. One only has to peer into the exhibit floor of the Intelligent Transportation Society of America (ITSa) or the American Public Transportation Association (APTA) to get a glimpse into the future of transportation. However, at Genfare, we believe that innovation should be more than just another way to describe the latest shiny technology, innovation should be about improving mobility – and it should be done so equitably. Innovation on its own is not equitable. How policymakers utilize, provide, and promote innovation determines if it is done so equitably.

To frame the issue more directly, transportation technologies have a way of making transportation easier to access, more cost effective to operate, and provide users with new options. Equitable mobility means that regardless of age, income, race, creed, we all benefit. That is not to say that every technology, gizmo, or gadget must be developed to accommodate every individual in the country, but it does mean that the deployment of innovation to advance mobility must be done so in a way to ensure that the benefits are enjoyed by all. Said a different way, it's not the technology that determines equity, it's policy that prioritizes how technology is deployed.

*Genfare believes that it should be a federal policy to support and encourage innovation, but it must be impartial innovation to support equitable mobility.*

In transit, we are seeing a great deal of technology that is intended to enhance and improve mobility, but we must be careful to make sure that in supporting and implementing these technologies, we are not shutting out or leaving behind those who rely on transit the most. Transit Innovation needs to align and support the community that uses it.

There are a variety of hurdles that can make transportation 'unequitable'; in the public transit space that can include access, payment, and cost to name just a few. In this paper, we will discuss how policymakers at Federal, State, and local level should think about deploying innovation and some policies that should be considered throughout that process. It should be noted that in the world of public transit, we often tend to oversimplify or characterize disadvantaged communities. While the intent of this paper is to provide some examples and proposed policy direction - we must always remember that transportation is very personal and there is no one way to characterize how people could be left behind. We believe that its imperative policy makers and the decisions they make build flexibility into policy for the variety of the communities' needs.

## Equitable Mobility: Access – Highway Frequency Options Are Critical

Access can be discussed in two terms, actual service being provided to an area, including frequency, and physical limitations that prevent people from being able to utilize service. Policymakers at all levels of government have done a good job of establishing key policies and requirements that make sure transit or equitable transportation options are available for those with physical limitations. While many agencies are still adjusting to and adapting their systems to be equitable from a physical limitations standpoint, the policy leadership shown by Federal, State, and local governments is an example on how to address overall equity.



Access in the form of options and frequency is another issue altogether. In this part of the discussion, we must address a key point, there are ‘choice riders’ who use transit for a variety of reasons, but as the name suggests – they choose to use transit. Then there is a transit-dependent audience who relies upon transit, or other publicly provided shared options, as a means of mobility. For this segment of the population, where they work, go to school, get healthcare, and get basic necessities is all determined by where the bus (or train) takes them. Naysayers will argue that only 8.7% of all households do not own a car (Bureau of Transportation Statistics, 2019) but when you look closely, nearly every major city has areas where more than half of the population lives without a car (US Census 2020). Transit, and more importantly – high frequency transit, is critical to providing these communities and the Americans that live there with access. We will speak more to this point later, but providing high frequency transit and offering more mobility options is critical to achieving equitable mobility.

## Equitable Mobility: Payment – Keeping Fare Payment Flexible

Payment is another aspect of equitable mobility – payment is the actual process of paying for a ride on transit.

Let’s start by looking at the process of paying for a transit trip. Seamless, simple, and multi-faceted fare collection helps to open the door to a more connected future. Cloud-based integrated fare collection will allow agencies to develop more connected transportation systems and innovative programs quicker and easier. In addition, it reduces the burden of fare collection on agencies while making it easier for riders to connect to public transportation. However, it is imperative that as agencies develop and deploy new and innovative fare collection technologies, they must build flexibility into those policies to accommodate for the variety of the communities’ needs. Flexible fare collection policies are a cornerstone of equitable mobility.

For example, cash must always be an acceptable form of fare payment. More than 7 million—or over 5 percent of U.S. households—remain unbanked. (FDIC, 2019) Nearly 20 percent more have bank accounts, but still rely on cash as a form of payment. Moving to an all-electronic fare collection system will

### **Disclosure**

*Genfare is a leading provider of fare collection technology with more than 50,000 items of equipment in service at some 400 agencies throughout North America. Genfare delivers a multitude of advanced fare products, from fareboxes, ticket vending machines (TVMs) and other hardware to sophisticated software solutions to manage back office operations.*

create a significant burden for millions of Americans, many of which likely depend on transit.

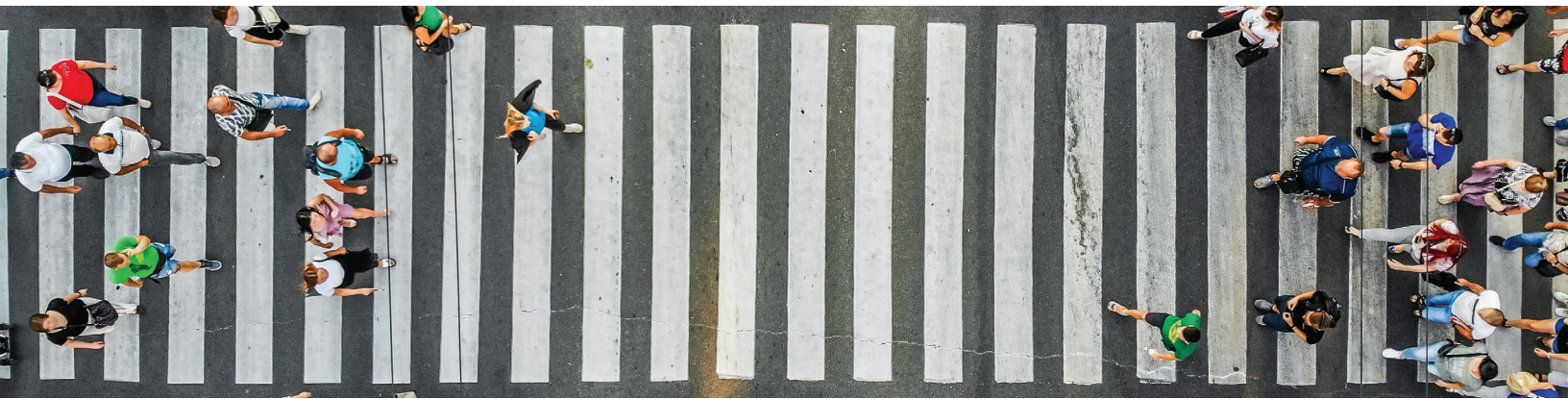
The most common suggested solution is for those passengers to acquire some type of temporary pass/card/electronic fare media that would serve as a ticket pass. On the surface, this seems like a simple enough idea—one could go to a grocery store, the local pharmacy, or newsstand and purchase with cash a ticket that would then allow an individual to ‘participate’. But think about that from a real-life situation. For many who are reliant on public transportation – in order to gain access to public transit – they must make a special trip to buy a ticket that allows them access. The time burden this place on an individual or a family perhaps very early in the morning or worse, very late in the evening. Making payment easier for part of the population while providing a hurdle to access transit for another is not equitable.



We must also recognize that while smartphones and connected devices have rapidly increased in availability, smartphone saturation has plateaued over the last several years and 12% of the population does not own a smartphone (Edison Research and Triton Digital report 2021).

Flexibility in fare collection must be a foundation of policymakers and stakeholders moving forward and cash must always be considered an acceptable form of fare payment.

Today, cash transactions represent around 30% of the transit agency fare collection. Equitable mobility is about solving problems for the community that presently need to use and rely upon public transportation.



## Equitable Mobility – Cost – Targeting Need, Not Foregoing Fare Revenue That Impact Service

A recent trend in transit, especially during the COVID pandemic, is the concept of fare free transit. There are many reasons some agencies are looking at fare free collection, for some it's a way to reduce the financial burden on users, for others it's one less operational activity and/or expense, and for some there is a thought that fare free transit will increase ridership. However, fare free transit – while for some is the ultimate solution for equity – is in fact the worst thing an agency can do for equity. Riders as well as the general population value services based on a myriad of factors beyond cost.

Farebox revenue is still on average 30% across the country – some as high as 70% and some as low as 10%. Operational costs do not fluctuate due to revenue or ridership. Service costs remain the same despite declines. When there is no revenue, service will likely decline which will directly hurt the transit dependent the most. It will only further decrease ridership, dissipate revenue, and not proportionally decrease operational costs. It will drive transit altogether into the ground. Fast, reliable, and recurring options is what communities of need require most. On-time transit that goes from Origin to Destination is what will increase ridership the most. Reducing operating budgets by implementing fare free policies will only seek to harm efforts to provide fast and reliable service – its disadvantaged communities will suffer the most. Moreover, fares are not the primary reason people choose not to take transit. Numerous studies have shown that for 'choice riders' reducing fares has a limited impact on ridership. Other factors including frequency of service, gas prices, land-use, and parking availability have a much greater impact on a 'choice rider's' decision to take transit or not. Ridership will increase when it's safe, fast, reliable, and direct. Eliminating fares will only hamper the ability of agencies to address needed growth and expansion. While cost does have a role to play, universal fare free policies create financial burdens that impact service for dependent riders.

*However, options exist to use pricing as a way to target need and attract choice riders:*



**Targeted Fare Free Policies** – Fare free policies that are based on financial need



**Fare Free Policies for Students/Children** – Providing fare free policies for students and children will help create a new generation of transit riders



**Fare capping** – One way to reduce the cost for choice riders is by capping the amount an individual pays a month. Policy should reward frequent transit riders by capping the amount one pays.



**Employer Programs** – Programs that create partnerships with employers can help reduce costs for both choice riders and transit dependent. Employer based programs can encourage employer investment in commuting which can increase ridership

## Conclusion

Innovation in the transportation space aims to expand options, reduce costs, and create seamless trips. We must aim higher; we must work towards equitable mobility and policies need to be developed at the federal and municipal levels to make sure that innovation doesn't open the door for some by closing the door on those most in need.

## Key Takeaways / Recommendations



FTA should encourage innovation, but create policies and programs that ensure equitable mobility to make sure that innovation benefits all.



Federal policy and municipal leaders should focus on creating greater access and options for both choice riders and transit dependent riders in order to increase transit ridership and create new options and opportunity for the transit dependent.



Flexibility is key to fare collection, advancements in fare collection should be embraced, but eliminating payment options disproportionately impacts transit dependent riders and hinders opportunity.



'Fixes' to address the innovation gap must not place additional burden on communities of need.



Universal fare free policies ironically impact transit dependent riders the most by taking revenue away from the system that could be reinvested in more frequent service or expanded options. Fare policies should be right-sized to target specific users based upon need.

