

Paying for Public Transit: Principles, Public Opinion, and Opportunities

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Overview

1. Criteria for evaluating revenue options
2. Equity considerations
3. Public opinion (about paying for transit)
4. New(ish) revenue sources to consider

Criteria for evaluating revenue options

1. Revenue generation
2. Ease of implementation
3. Transportation system performance
4. Promotion of interlinked public policy goals
5. Equity
6. Public opinion & political feasibility

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Equity of different revenue options

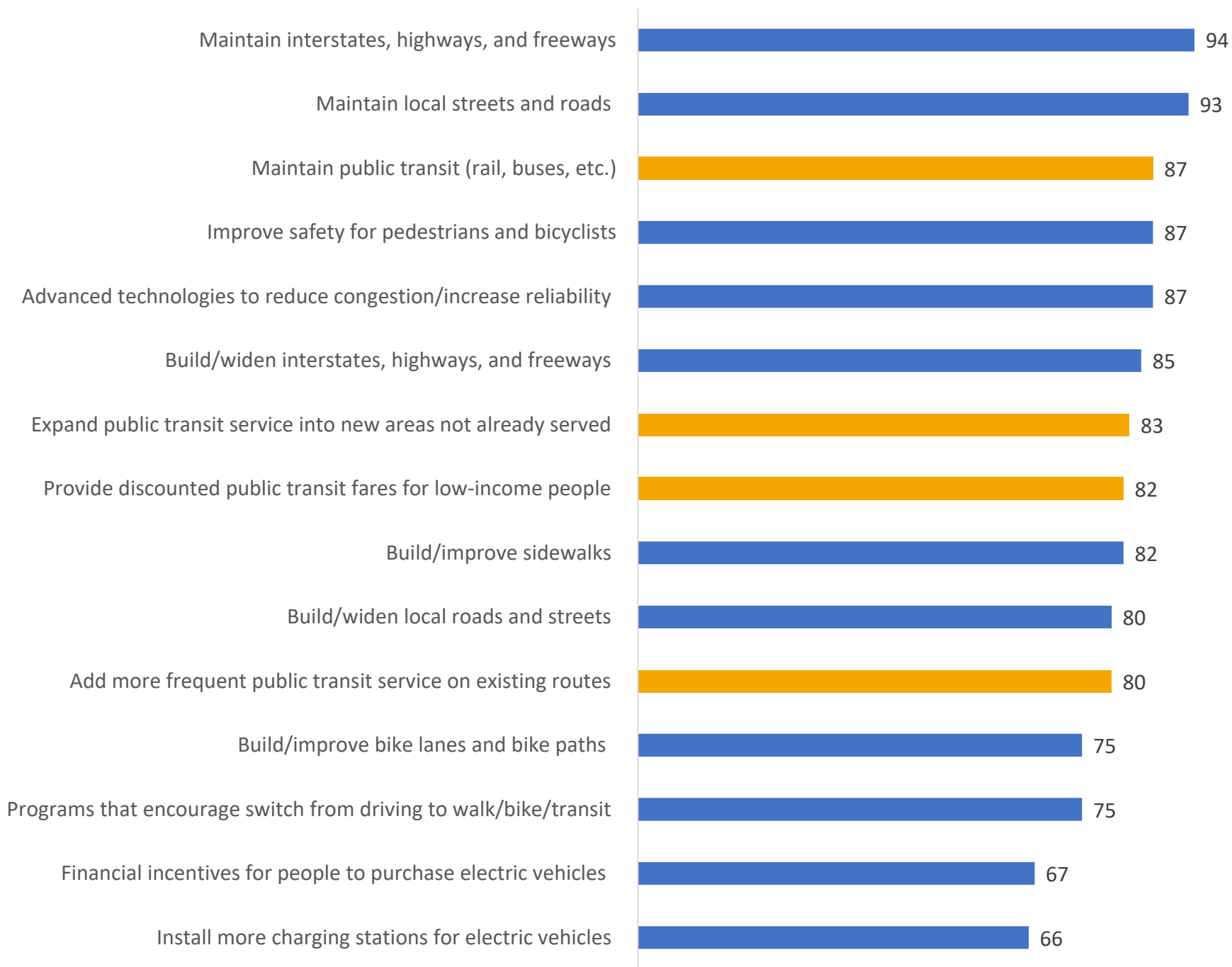
Questions to explore about revenue options

- 1. Relationship of payment to benefits:**
Do the costs fall on direct users (riders) or those who otherwise benefit?
- 2. Ability to pay:**
How easily can those paying afford the cost?
- 3. Public perception of what is “fair” (or not):**
What do both riders and non-riders think is fair?
- 4. *Relative equity of the alternative:***
Is the option more or less equitable than likely alternatives?
- 5. Contribution to achieving equity goals beyond transit**
Does transit service help to achieve social equity goals unrelated to transit?

What does the public think?

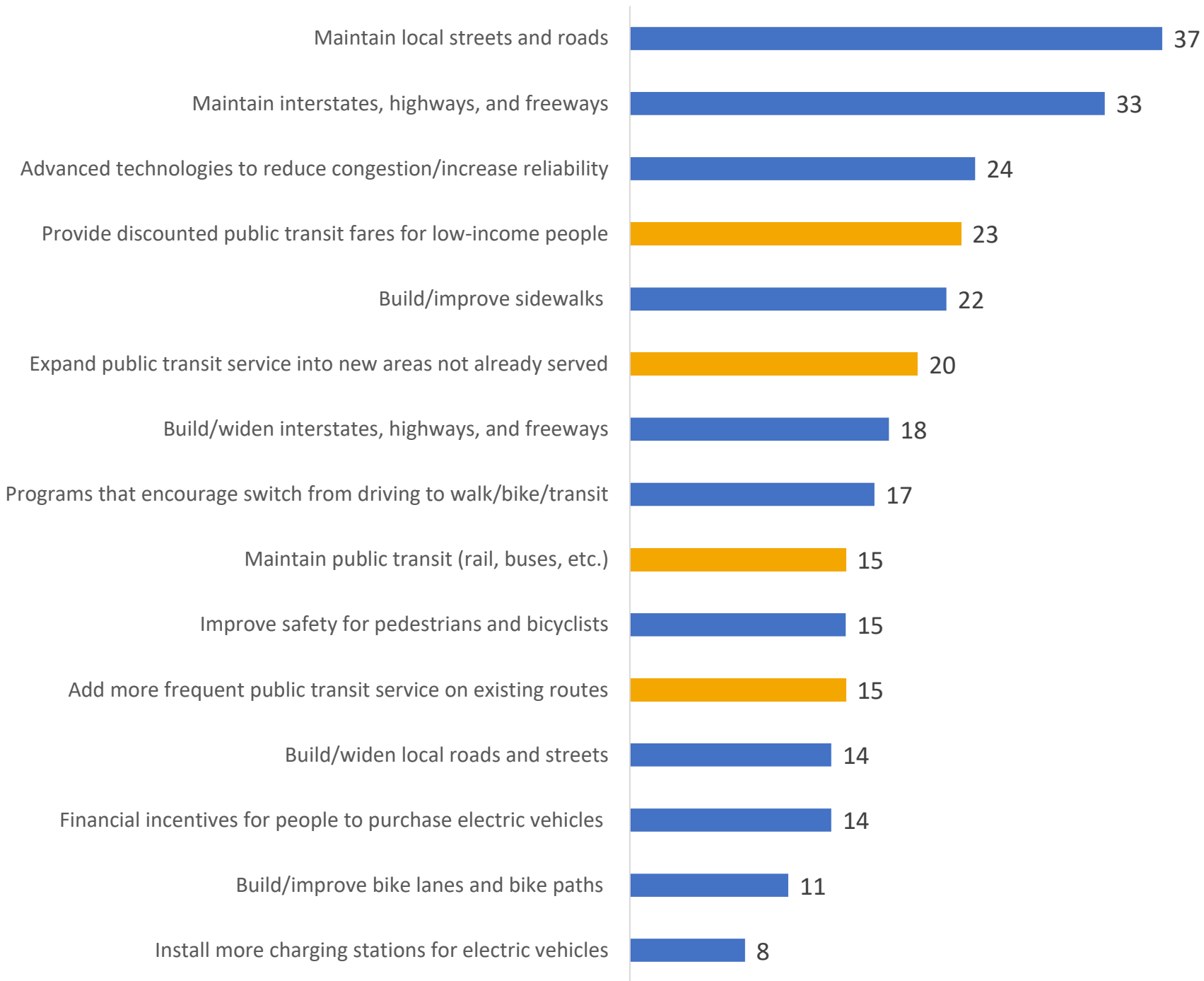
What does the public think?

Priorities for improving transit



% respondents
rating options as
**high or medium
priority**
for spending
federal gas tax
revenue

(2020 survey)



% respondents
rating options as a
top-3 priority
for spending
federal gas tax
revenue

(2020 survey)

What does the public think?

Knowledge of government support

Do fares cover costs?

“When people ride public transit, they pay a fare. This money is used to pay for the service. Do you think that the money collected from public transit fares in general covers the full cost of the service?”

Do fares cover costs?

“When people ride public transit, they pay a fare. This money is used to pay for the service. Do you think that the money collected from public transit fares in general covers the full cost of the service?”

| | | |
|---|------------|-----|
| | Yes | 31% |
| → | No | 58% |
| | Don't know | 11% |

Knowledge of which levels of government pay

Federal government

State government

Local government

(2017 survey)

Knowledge of which levels of government pay

| | |
|--------------------|-----|
| Federal government | 41% |
| State government | 51% |
| Local government | 44% |

(2017 survey)

What does the public think?

Willingness to pay for transit

Spending gas tax \$ for public transit

“Some people say that money from gas taxes should only be spent on roads and highways, since drivers pay the tax. Other people say gas tax money should be used to pay for public transit in addition to roads and highways, because transit helps reduce traffic congestion and wear-and-tear on the roads.

Would you support or oppose spending some gas tax money on public transit?”

Support: **71%**

Ballot box support – Nov. 2020

| | |
|---------------------------------------|-----|
| Public transit measures on the ballot | 53 |
| Wins | 92% |
| Losses | 4 |
| Revenue type | |
| Property tax | 36 |
| Sales tax | 11 |
| Bond | 4 |
| Payroll tax | 1 |

Summary of findings on public opinion

1. Priority placed on funding public transit vs. other modes:

Transit is not the top priority among modes, but is at least a medium priority for more than three-quarters of respondents

2. Types of transit improvements valued:

Discounted fares for low-income riders, expanding service into new areas, more frequent existing services, and maintenance are all popular

3. Knowledge of government support

Only 58% believe that governments support public transit

4. Willingness to pay

71% of US adults support spending gas tax revenue on transit

The majority of transit ballot measures win approval

Conclusion

New(ish) revenue options to consider

What about tolls or mileage fees?

In the coming years, we are likely to see:

- More tolling on specific corridors
- Mileage fees replacing fuel taxes

Is either revenue source a promising candidates to fund transit?

Resources

Reports on the [MTI website](#):

- *What Do Americans Think About Federal Tax Options to Support Transportation? Results from Year Eleven of a National Survey* (July 2020)
- *What Do Americans Think About Federal Tax Options to Support Public Transit, Highways, and Local Streets and Roads? Results from Year Eight of a National Survey* (June 2017)
- *What Do Americans Think About Public Transit? A Review of Public Opinion Polling Questions* (July 2015)

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