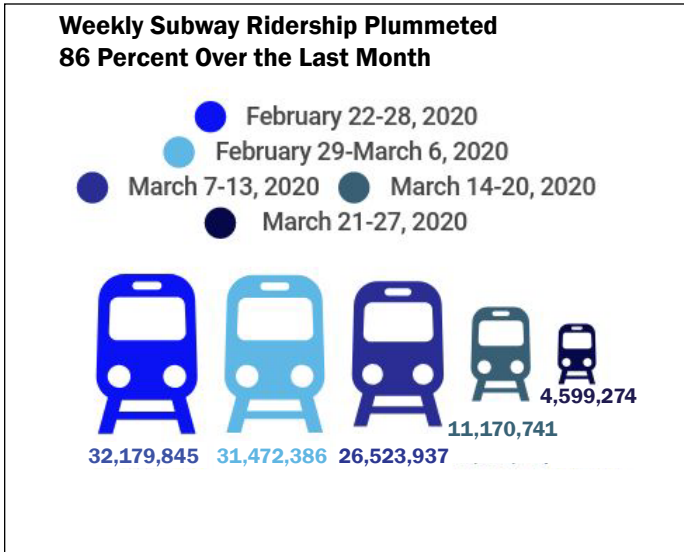


As Ridership Plummet, How Far Might NYC Transit Revenue Fall?

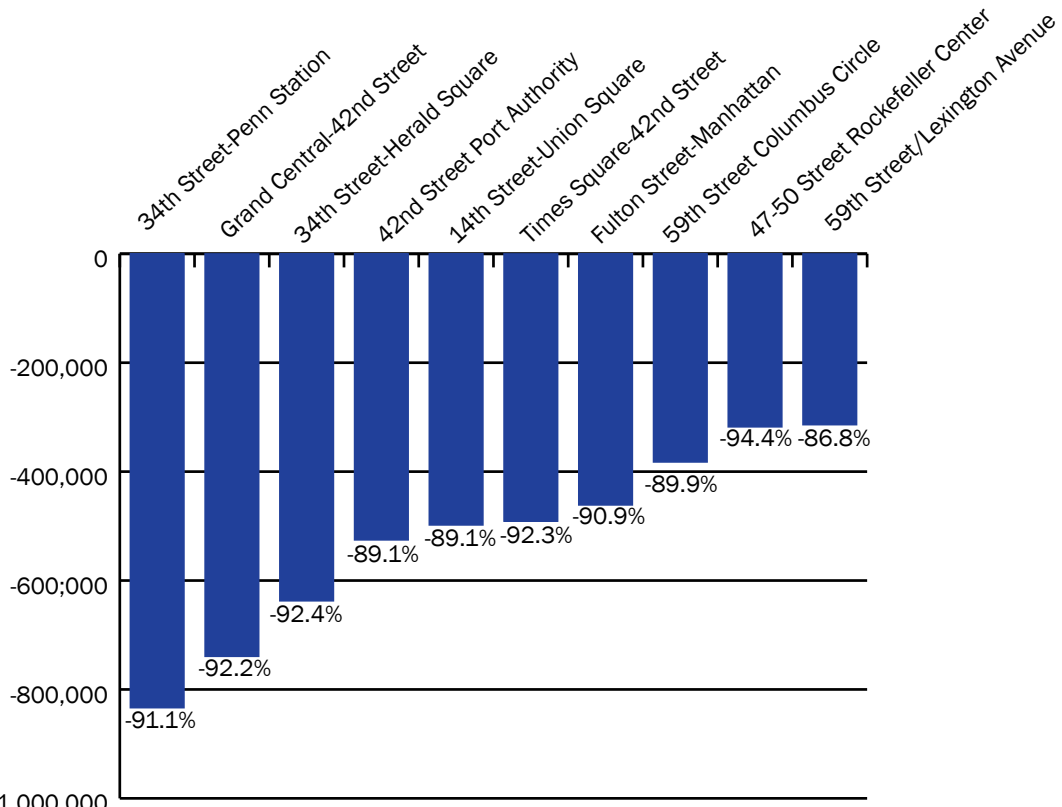
The Metropolitan Transportation Authority, the main provider of public transportation in the New York City region, is facing unprecedented operational and financial challenges as the Covid-19 outbreak leads to a drastic decline in ridership and revenue from fares and tolls.



- Subway ridership was 32.2 million for the week ending February 28, 2020, two days before the first confirmed case of the Covid-19 virus in New York City. Ridership fell in every subsequent week, with the week ending March 27 serving only 4.6 million riders, a decrease of 86 percent from ridership levels seen four weeks earlier.

The Largest Declines in Subway Ridership Are at Major Transportation Hubs

The 10 subway stations with the largest declines in ridership—as measured by the number of passengers entering the station—for the week ending March 27 compared with the week ending February 28.



- Accompanying the drop in ridership is a reduction in fare revenue that IBO estimates will ultimately result in a decline of \$970 million (21 percent) in NYC Transit subway and bus revenue in the current calendar year compared with fare revenue forecast by the transportation authority in its February 2020 financial plan. IBO's estimate assumes that most riders with 7-day and 30-day unlimited passes do not immediately renew when current passes expire, and that ridership remains depressed through early May and then creeps upwards again through mid-June, stabilizing at around 25 million weekly riders.

Of the 10 Stations With the Smallest Percentage Declines in Ridership, Most Are Near or at the End of Train Lines

Station	Borough	Percentage Decline, Week Ending March 27 Compared With Week Ending February 28
Sutter Avenue (L)	Brooklyn	-65.8%
Mount Eden Avenue (4)	Bronx	-65.6%
Rockaway Park Beach-116th Street (A/S)	Queens	-65.6%
New Lots Avenue (L)	Brooklyn	-65.5%
183rd Street (4)	Bronx	-65.2%
Beach 60th Street (A)	Queens	-64.8%
New Lots Avenue (3)	Brooklyn	-64.3%
Wakefield -241st Street (2)	Bronx	-63.5%
Alabama Avenue (J)	Brooklyn	-63.3%
Broadway Junction (A/C/J/L/Z)	Brooklyn	-62.7%

- In addition to subway and bus fare revenue, the Metropolitan Transportation Authority uses the surplus toll revenue that remains after covering bridge and tunnel expenses to fund mass transit—support that exceeded \$1.1 billion in 2019. While the transportation authority has included a toll increase for 2021 in its latest financial plan, toll revenue in 2020 is likely to take a major hit in the wake of the current shutdown.
- Other revenues dedicated to transit, including taxes on real estate transactions and mortgage activity, a portion of the sales tax, and many other taxes and fees, will decline in response to the contraction of economic activity.
- Anticipating a financial shortfall, the Metropolitan Transportation Authority requested a bailout of \$4 billion from Washington and is set to receive \$3.8 billion from the recent federal aid package. The \$3.8 billion is equivalent to around 22 percent of the transportation authority's total operating budget (including debt service) projected for 2020.

SOURCE: IBO analysis of MTA data

NOTE: Subway ridership numbers reflect paid, nonstudent turnstile entrances.

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