

Elasticity Analysis / Impacts on Revenue. Madison Common Council: February 24, 2009.

Fare Category	Current			
	Ridership	Tickets	Fare	Revenue
Cash	659,803	659,803	\$2	\$989,000
31 Day	1,066,789	19,872	\$47	\$934,000
10 Ride	691,232	72,667	\$12	\$872,000
Youth Cash	340,294	340,294	\$1	\$340,000
Youth 10 Ride	242,651	42,118	\$9	\$358,000
Semester	1,573,603	2,672	\$125	\$334,000
Senior Cash	73,790	73,790	\$1	\$55,000
Senior 10 Ride	91,629	9,867	\$8	\$74,000
S/D 31 Day Pass	275,507	4,340	\$24	\$102,000
Day Pass	71,092	21,765	\$3	\$74,000
Totals	5,086,390	1,247,187		\$4,132,000

Adopted Budget Proposed Fares
\$2
\$55
\$15
\$1
\$10
\$150
\$1
\$10
\$28
\$5

Adopted Budget: Metro Estimates		
Ridership	Tickets	Revenue
623,276	623,276	\$1,197,000
1,050,158	21,182	\$1,165,000
659,767	73,000	\$1,095,000
334,849	334,849	\$405,000
238,868	41,600	\$416,000
1,550,000	2,613	\$392,000
69,705	69,705	\$67,000
86,556	8,800	\$88,000
277,827	4,327	\$119,000
69,984	19,333	\$77,000
4,960,990		\$5,031,000

Metro Difference	
Ridership	Revenue
-36,527	\$208,000
-16,631	\$231,000
-31,465	\$223,000
-5,445	\$65,000
-3,783	\$58,000
-23,603	\$58,000
-4,085	\$12,000
-5,073	\$14,000
2,320	\$17,000
-1,108	\$13,000
-125,400	\$899,000

Constant Fares, 6% Increase		
Tickets	Ridership	Revenue
39,588	39,588	\$59,340
1,192	64,007	\$56,040
4,360	41,474	\$52,320
0	0	\$0
20,418	20,418	\$20,400
2,527	14,559	\$21,480
160	94,416	\$20,040
0	0	\$0
4,427	4,427	\$3,300
592	5,498	\$4,440
0	0	\$0
260	16,530	\$6,120
1,306	4,266	\$4,440
74,831	305,183	\$247,920

Fare Category
Cash
31 Day
10 Ride
Youth Cash
Youth 10 Ride
Semester
Senior Cash
Senior 10 Ride
S/D 31 Day Pass
Day Pass
Totals

APTA Elasticity	
Fare Change	*.43%
33.33%	14.33%
17.02%	7.32%
25.00%	10.75%
25.00%	10.75%
17.65%	7.59%
20.00%	8.60%
33.33%	14.33%
33.33%	14.33%
17.02%	7.32%
32.35%	13.91%

Adopted Budget: APTA Estimates		
Ridership	Tickets	Revenue
565,231	565,231	\$1,130,462
988,709	18,418	\$1,012,982
616,925	64,855	\$972,825
303,712	303,712	\$379,640
224,238	38,922	\$389,217
1,438,273	2,442	\$366,331
63,213	63,213	\$63,213
78,496	8,452	\$84,524
255,342	4,023	\$110,625
61,202	18,737	\$84,316
4,595,342	1,088,006	\$4,594,137

APTA Difference	
Ridership	Revenue
-94,572	\$141,462
-78,080	\$78,982
-74,307	\$100,825
-36,582	\$39,640
-18,413	\$31,217
-135,330	\$32,331
-10,577	\$8,213
-13,133	\$10,524
-20,165	\$8,625
-9,890	\$10,316
-491,048	\$462,137

If 6% ridership was maintained and APTA elasticities prove accurate, Metro will see the following revenue gain from the fare increase:

	\$462,137
-	\$247,920
=	\$214,217

Fare Category
Cash
31 Day
10 Ride
Youth Cash
Youth 10 Ride
Semester
Senior Cash
Senior 10 Ride
S/D 31 Day Pass
Day Pass
Totals

VTPI Elasticity	
Fare Change	*.50%
33.33%	16.67%
17.02%	8.51%
25.00%	12.50%
25.00%	12.50%
17.65%	8.82%
20.00%	10.00%
33.33%	16.67%
33.33%	16.67%
17.02%	8.51%
32.35%	16.18%

Adopted Budget: VTPI Estimates		
Ridership	Tickets	Revenue
549,836	549,836	\$1,099,672
975,998	18,181	\$999,959
604,828	63,583	\$953,750
297,757	297,757	\$372,197
221,241	38,401	\$384,014
1,416,243	2,405	\$360,720
61,492	61,492	\$61,492
76,358	8,222	\$82,222
252,060	3,971	\$109,203
59,592	18,244	\$82,098
4,515,403	1,062,093	\$4,505,326

VTPI Difference	
Ridership	Revenue
-109,967	\$110,672
-90,791	\$65,959
-86,404	\$81,750
-42,537	\$32,197
-21,410	\$26,014
-157,360	\$26,720
-12,298	\$6,492
-15,272	\$8,222
-23,447	\$7,203
-11,500	\$8,098
-570,987	\$373,326

If 6% ridership was maintained and VTPI elasticities prove accurate, Metro will see the following revenue gain from the fare increase:

	\$373,326
-	\$247,920
=	\$125,406