Fare Elasticity Studies

American Public Transit Association (APTA) 1991 Study

- Showed a .43% decrease in ridership for every 1% increase in fares.
- Federal Transit Administration (FTA), Chatham (GA), and Charlotte (NC) ***recently*** utilized APTA data in research / decisionmaking.

Transportation Research Board (TRB) 2004 Study

- "Aggregate measures of general fare elasticity portray a ridership response to fare changes that varies considerably under different situations, but that exhibits relative consistency when expressed as averages. The effect of bus fare increases and decreases equates on average to an arc fare elasticity of about -0.40."
- Rider sensitivity to fare changes appears to decrease with increasing city size. As a general rule, ridership appears to be less sensitive to fare changes where transit is in a strong competitive service and price position vis-a-vis auto travel than it is where transit service is marginal. This further supports the APTA study conclusions as well.

Victoria Transit Policy Institute (VTPI) 2008 Study

- Based on extensive research, Transportation Research Lab (TRL, UK) in 2004 calculated that bus fare elasticities average around –0.4 in the short-run.
- A study by Bresson, et al. (2003) used data from British and French cities and a dynamic model to calculate transit price elasticities. They found that transit ridership is relatively price sensitive, with fare elasticities of -0.3 to -0.5 in the short-run, and -0.6 to -0.7 in the long-run.
- Nijkamp and Pepping (1998) found elasticities of transit ridership with respect to transit fares in the –0.4 to –0.6 range in a meta-analysis of European transit elasticity studies.

Conclusion: Available evidence suggests that the elasticity of transit ridership with respect to fares is about –0.3 to –0.5 in the short run (first year) and increases to about –0.6 to –0.9 over the long run (five to ten years).