



# When a \$35 Transit Trip is Worth the Cost

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Media commentators are abuzz lately, talking about transit ridership in a world of Transportation Network Companies (TNCs) – like Uber and Lyft – along with microtransit and increasing car ownership. Some argue that the cost of a transit trip is too high in such dynamic environment of mobility options, especially for demand-response or paratransit services. Affordable fares can only cover a small portion of these trip costs.

At first, the average cost of a demand-response trip – \$35.55, according to the 2015 National Transit Database – seems steep, compared to \$4.04 for a fixed-route bus ride or \$2.32 on a heavy rail metro or subway line. The low fares offered by TNCs – which average between \$12 and \$13 per trip, after high subsidization via venture capitalist investment – make the contrast seem all the more stark. These companies have also proven adept at identifying the lowest-cost paratransit trips to serve in urban areas, leaving public entities only the most difficult – and costly – riders to serve.

But those served by demand-response or paratransit networks are achieving outcomes that are disconnected from the cost of their travel. The overwhelming majority of trips on any transit mode are made for two essential purposes: accessing employment or healthcare. Furthermore, transportation and education are two of the leading social determinants of health.

In the United States, the cost of negative outcomes in either healthcare or lack of employment are staggering and nearly always covered by public programs:

- On average, states pay out \$471 per week – or \$67 per day – to those receiving unemployment benefits

- Each unused hour-long medical appointment slot costs a doctor's office \$200 in lost revenue;
- Every hospital readmission within 30 days of discharge lands a hospital a \$12,300 penalty for Medicare patients, \$13,800 for those on Medicaid or \$14,200 under private insurance;
- Long-term care in a nursing home averages \$225 per day, per person, reaching \$6,844 each month;
- Dialysis patients require thrice-weekly treatment to avoid emergency hospitalization or even death, and cannot transport themselves following care. In 2013, Medicare alone spent over \$10.3 billion on hospitalization for dialysis patients;
- Ambulance trips can range anywhere from \$224 to \$2,204 for Medicare beneficiaries.

Demand-response and paratransit options are often the sole link to employment or medical appointments that avoid these outcomes.

Harder to calculate – but crucial benefits, nonetheless – are concepts such as access for people with disabilities and older adults who cannot drive themselves, living independently in your own home, social interaction and environmental advantages.

When weighing the full benefits in relation to costs, community and public transportation options – even the most expensive trips – are a great deal for the public, helping people live productively without ongoing public assistance that comes with even higher costs.



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