

# 2024 Fare Change Recommendations- Youth Fare Discounts

Public Hearing at the Finance  
Committee Presentation

July 22, 2024



# Agenda

Context

Fare Structure Change  
Recommendations

Financial Investment Analysis

Fare Policy Impacts

Title VI Analysis

Next Steps

Questions / Feedback

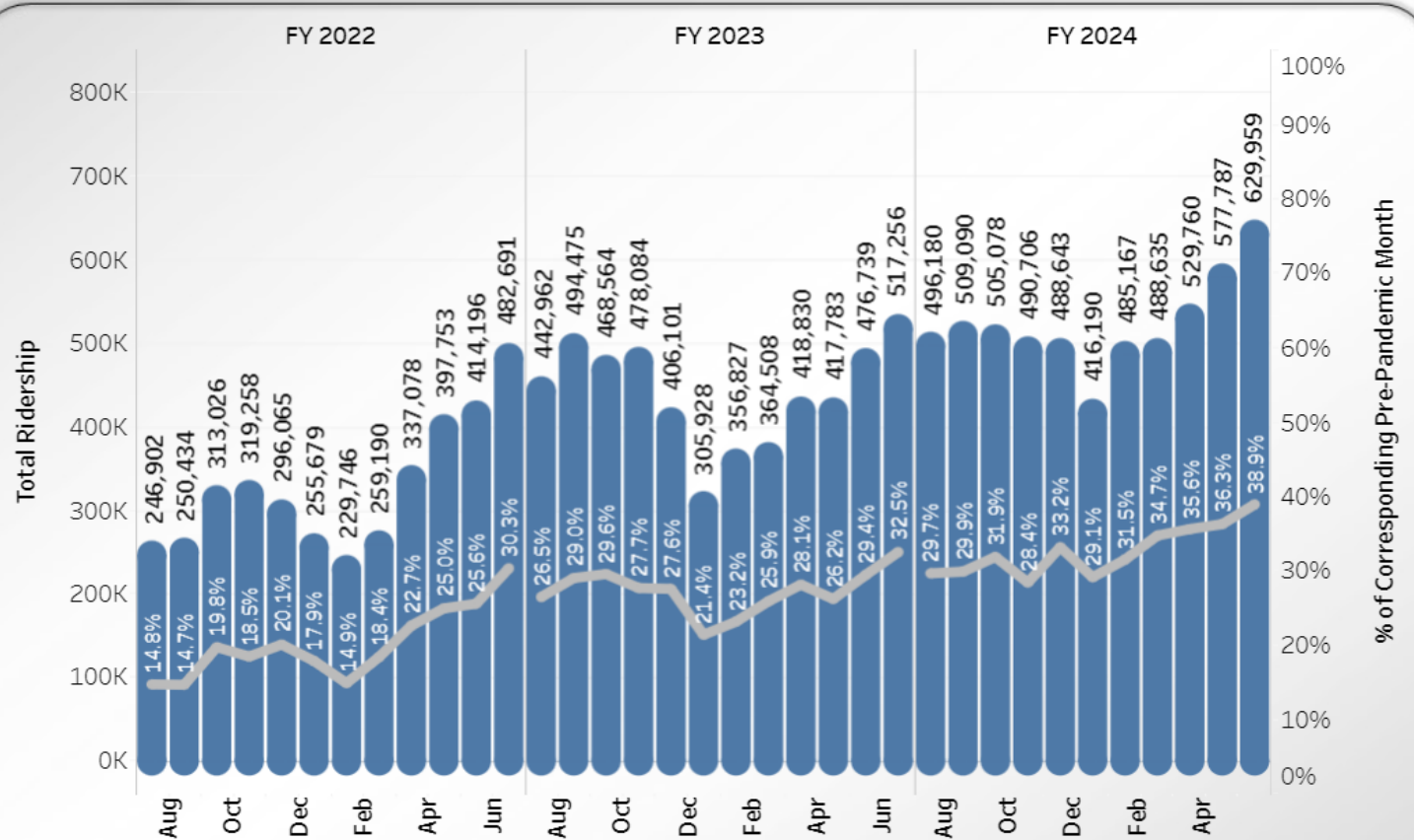
# Context

While Caltrain's ridership is increasing steadily, it remains lower amidst changed travel behavior stemming from the pandemic.

May ridership at 38.9% vs corresponding month Pre-Pandemic.



## Total Ridership & % of Pre-Covid Month Ridership - May 2024



This chart estimates pandemic ridership recovery by comparing each month's total ridership to that of the same pre-pandemic month (March 2019-February 2020). Other methodologies may report different ridership recovery rates.

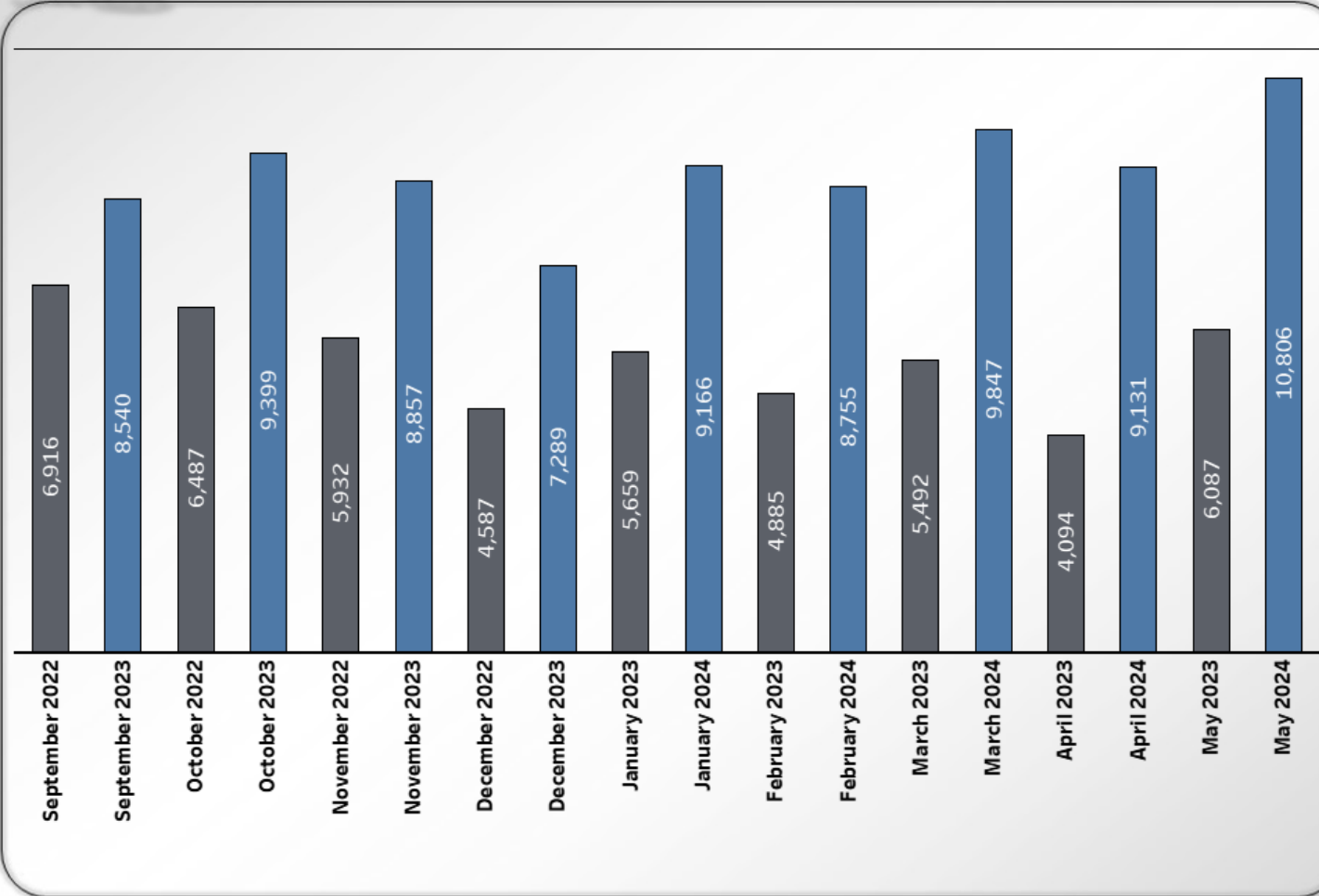
# Context

In effort to increase ridership, four promotional products were introduced in September 2023

- \$1 One-way all zone youth fares on Clipper was the most successful promotion
- Youth Clipper ticket sales have increased 43% YOY during the promotional period compared to an overall ticket sales increase of 18% during the same period.



Caltrain Promotional Clipper Youth \$1-Promotion Information



# Fare Structure Change Recommendations

## Provide an expanded permanent Youth Discounted Fare

- **9/1/2024** - \$1 All Zone One-way Youth fares available on all platforms
- **9/1/2024** - \$2 All Zone Day Pass available on TVM's and Mobile App (while available) for Youth riders
- **Upon Clipper Next Generation Execution** - \$24 All Zone Monthly Pass available on Youth Clipper Card

## Benefits

- Opportunities for increased youth, family, and future ridership
- Easier for Customers to understand
- Purchase options with no barrier to entry

# Financial Investment Analysis

Investment amount is based on 2024 historical data assuming all prior riders paid the new youth fares with the following caveats:

- Investment will change based on future youth ridership patterns
- All investment costs could be reduced by:
  - Incremental riders
  - Increases in Youth rider frequency
  - Increased adult ridership with Youth riders
  - Future increase in ridership

	Annual Investment Estimate
Estimated Clipper One-Way	\$ (273,230)
Estimated Mobile	\$ (188,367)
Estimated TVM	\$ (291,112)
<b>Total</b>	<b>\$ (752,709)</b>

# Review Fare Policy

## Caltrain Fare Policy goals:

- **Financial Sustainability** - ensure financial health
  - Annual investment of \$750K that has potential near and long-term offsets/benefits
- **Equity** - participate programs that promote affordable transit
  - Makes Youth ridership much more affordable
- **Customer - Experience** – ease of use and predicable fare changes
  - Easy to understand and no barriers to purchase
- **Ridership** - maximize use of agency's assets
  - Promotes current and future ridership growth and frequency

# Title VI Equity Analysis

## Disparate Impact (DI) & Disproportionate Burden (DB) Policies

A threshold for determining when adverse effects of fare changes are borne disproportionately by **minority vs. non-minority** populations (DI) or **low-income vs. non-low-income** populations (DB)

### Caltrain's DI & DB thresholds are set at 10%

- There is a Disparate Impact (DI) finding if the difference in impacts borne by minority populations compared to those borne by non-minority populations are greater than 10%

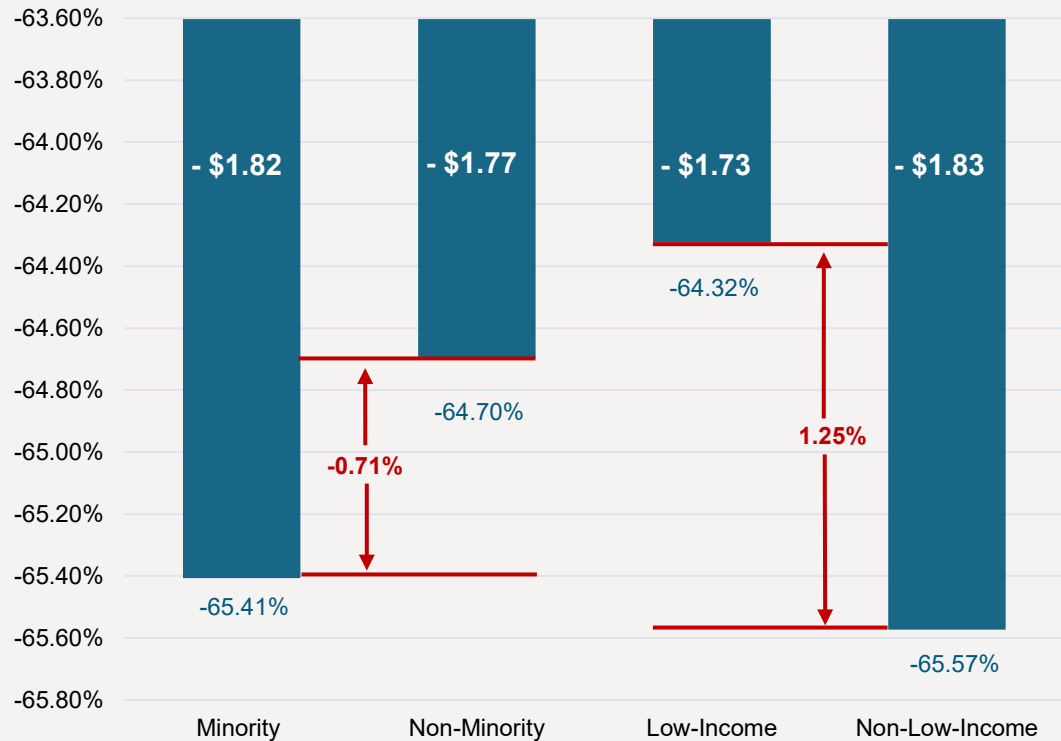
**OR**

- There is a Disproportionate Burden (DB) finding if the difference in impacts borne by low-income populations compared to those borne by non-low-income populations are greater than 10%



# No Disparate Impact or Disproportionate Burden

Effects of Youth Fare Changes on Riders



## Data Used

- 2023 Systemwide Ridership
- 2022 Caltrain Triennial Customer Survey
- Current and Proposed Youth Fare Structure

## Findings

- Minority vs. Non-Minority % Difference:
  - **-0.71% (No Disparate Impact, within 10%)**
  - Both Minority and Non-Minority populations benefit from the proposed youth fares
- Low-Income vs. Non-Low-Income % Difference:
  - **1.25% (No Disproportionate Burden, within 10%)**
  - Both Low-Income and Non-Low-Income populations benefit from the proposed youth fares

# Next Steps and Questions

## Completed

- Presented to CAC and provided multiple avenues for public
  - Positive public response
- Received Finance Committee recommendation and held public hearing

## Upcoming

- Request Caltrain Board Approval
- Upon approval execute changes to fare systems and marketing campaign

# Questions / Feedback