

# MONTHLY ECONOMIC INDICATORS

Planning and Regional Development Department

THE PORT AUTHORITY OF NY & NJ

November 2018

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## Why the Decline? Examining the region's transit ridership

In major cities across the country, transportation agencies are searching for answers. Over the past several years, public transit ridership has faced a significant decline. Major urban centers with some of the most comprehensive transit systems have been the hardest hit including New York City, San Francisco, Washington D.C., and Los Angeles. APTA and other transit experts have evaluated this national trend, pointing to lower fuel prices, increased affordability of personal vehicles, reduced time and cost competitiveness of transit, and the rise of remote work.<sup>1</sup> However, each transit system is comprised of diverse rider populations and faces a different set of these contributing factors.

The New York and New Jersey region has been no exception. Since 2015, the MTA Subway system reported declines in annual ridership with the largest drop of almost 2 percent from 2016- 2017. New Jersey Transit (NJT) ridership follows a similar trend dropping by almost 8 million passenger trips in 2017. This marked NJT's lowest annual ridership since Hurricane Sandy.

However, not every travel market in the region has been affected to the same degree. PATH has been experiencing moderate growth over the past few years. In particular, from 2014 to present, annual ridership rates increased overall by about 12 percent to reach nearly 83 million annual passenger trips.

PATH may currently be outlasting the ridership declines at sister agencies, possibly due to the current development growth in Harrison, Jersey City, and the rise of NJT transfers from Newark. PATH service provides a crucial and affordable Trans-Hudson crossing which may deter most riders from utilizing more expensive ride-share alternatives, specifically for off-peak or weekend trips. On the other hand, MTA ridership has lost many riders from their weekend service. New York City riders have found alternatives, possibly ride-shares like Uber or CitiBike to satisfy their off-peak trips.

Table 1. Average Weekend Ridership Rates on MTA and PATH

	2014	2015	2016	2017	% Change
MTA	5,985,905	5,943,149	5,758,201	5,682,154	-5.1%
PATH	190,156	203,290	189,070	206,030	8.3%

PATH is also being sustained by the strength of the trans-Hudson market, due to robust employment growth in New York City. Within the PATH system, New Jersey intrastate travel has declined since 2015, while trans-Hudson travel has grown. Similarly, NYC-bound passenger traffic has continued to grow on NJ Transit's rail and bus systems even as system-wide ridership has declined.

<sup>1</sup> APTA. "Understanding Recent Ridership Changes." (April 2018).

Freemark, Yonah. "U.S. transit systems are shedding riders. Are they under threat?" *The Transport Politic*. (May 2018).

## THE WATCHLIST

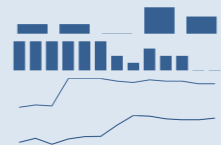
### Economic Variables

### Current - One Year Trend

#### UNITED STATES

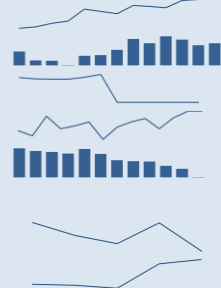
Real GDP [Annual Rate]	Q3 2018	3.5%
Unemployment Rate	Oct-18	3.7%
Consumer Price Index [Annual]	Oct-18	3.7%
Gasoline Price [Regular]	Oct-18	\$2.86

#### Oct 2017 - Oct 2018

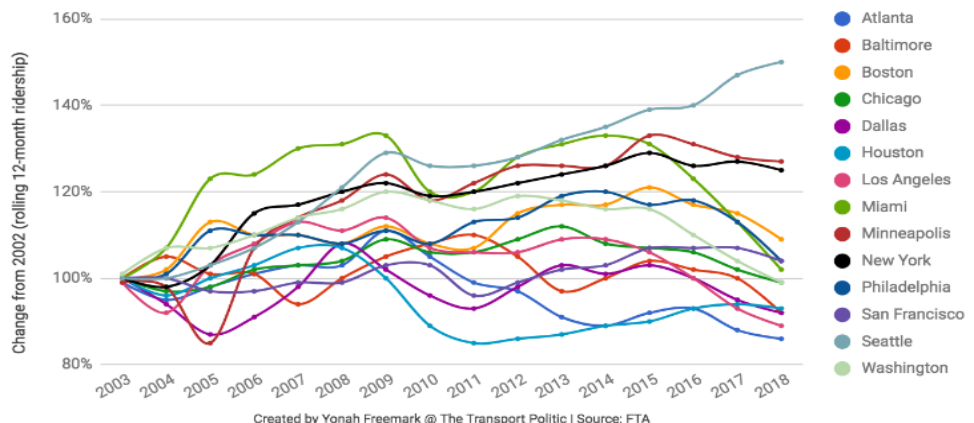


#### PORT AUTHORITY REGION

Regional Employment [NY MSA]	Sep-18	9,803
Consumer Price Index [Annual]	Oct-18	2.2%
Port District Exports [\$Bill]	Sep-18	\$13.31
Port District Imports [\$Bill]	Sep-18	\$26.12
Case-Shiller Home Price Index	Sep-18	3.9%
Commercial Real Estate Asking Rent		
Midtown	Q32018	\$82.81
Downtown	Q32018	\$67.23



### Change in transit ridership in major US regions 2002-2018



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AVIATION	Sep '18	YTD	Sep '18/'17	YTD '18/'17	PORT	Sep '18	YTD	Sep '18/'17	YTD '18/'17
<b>Revenue Passengers (000's)</b>	<b>11,180.8</b>	<b>104,337.6</b>	<b>4.5%</b>	<b>4.1%</b>	<b>Port Trade</b>				
John F. Kennedy International Airport (JFK)	5,110.8	46,831.7	4.4%	3.2%	Container Imports (TEUs)	304,125	2,717,353	5.7%	7.4%
LaGuardia Airport (LGA)	2,372.4	22,363.7	0.0%	2.6%	Container Exports (TEUs)	116,711	1,114,656	2.6%	6.7%
Newark Liberty International Airport (EWR)	3,637.5	34,629.1	7.4%	6.8%	Containers lifted on/off Express Rail	55,991	483,000	20.4%	14.8%
Stewart International Airport (SWF)	60.1	513.1	30.8%	68.0%	<b>TUNNELS, BRIDGES &amp; TERMINALS</b>	<b>Sep '18</b>	<b>YTD</b>	<b>Sep '18/'17</b>	<b>YTD '18/'17</b>
<b>Revenue Freight (Short Tons)</b>	<b>189,916</b>	<b>1,689,579</b>	<b>0.8%</b>	<b>3.6%</b>	<b>Eastbound Vehicle Volumes (000's)</b>	<b>10,033</b>	<b>89,752</b>	<b>-0.4%</b>	<b>0.7%</b>
Domestic	67,882	602,905	1.4%	6.0%	George Washington Bridge	4,281	38,574	-1.5%	-0.4%
International	122,034	1,086,674	0.5%	2.5%	Lincoln Tunnel	1,575	14,162	-2.2%	-0.2%
<b>Flights</b>	<b>125,578</b>	<b>1,113,078</b>	<b>3.8%</b>	<b>1.1%</b>	Holland Tunnel	1,262	11,150	1.1%	0.7%
Domestic Air Carrier	77,933	707,297	5.2%	2.8%	Bayonne Bridge	232	2,139	17.5%	25.8%
International Air Carrier	26,138	231,182	3.9%	1.1%	Goethals Bridge	1,415	12,224	4.6%	3.6%
General Aviation	21,507	174,599	-1.2%	-4.3%	Outerbridge Crossing	1,268	11,503	-3.6%	-1.6%
<b>Paid Parked Cars</b>	<b>562,139</b>	<b>5,141,236</b>	<b>-2.4%</b>	<b>-5.2%</b>	<b>Eastbound Volumes by Vehicle Type (000's)</b>				
<b>Revenue AirTrain Passengers</b>	<b>1,648,733</b>	<b>15,217,503</b>	<b>-7.0%</b>	<b>-2.9%</b>	Autos	9,203	81,956	-0.1%	0.6%
<b>FERRY OPERATIONS</b>	<b>Sep '18</b>	<b>YTD</b>	<b>Sep '18/'17</b>	<b>YTD '18/'17</b>	Trucks	593	5,571	-3.6%	2.1%
<b>Passengers (000's)</b>					Buses	238	2,226	-2.5%	0.5%
New Jersey Ferries	778.1	7,027.7	2.6%	3.5%	<b>U.S. TRANSPORT. SERVICES INDEX</b>	<b>Sep '18</b>	<b>Aug '18</b>	<b>Change</b>	
<b>PATH</b>	<b>Sep '18</b>	<b>YTD</b>	<b>Sep '18/'17</b>	<b>YTD '18/'17</b>	<b>(Prelim., Seasonally Adj., 2000=100)</b>				
<b>Passengers (000's)</b>	<b>6,544.0</b>	<b>61,137.0</b>	<b>-6.1%</b>	<b>-1.7%</b>	<b>TSI - Combined Index</b>	133.6	133.9	-0.2%	
Average Weekday	289.1	2,524.7	-1.5%	-1.0%	<b>TSI - Freight</b>	134.9	135.3	-0.3%	
Average Saturday	112.6	1,002.0	-9.3%	-3.1%	<b>TSI - Passenger</b>	130.9	131.0	-0.1%	
Average Sunday	80.4	736.5	-15.9%	-8.8%					

## TRANSPORTATION FOCUS

*[from page one]*

Following ridership growth in 2014, the first quarter of 2015 appeared to be a turning point for rail systems across the region. Every transit authority in the region, including PATH, experienced the lowest ridership growth rates in 2015. The data seem to suggest that in addition to personal considerations such as lower automobile ownership and operating costs, this may be primarily due to reduced service reliability and additional strain on transit systems. Budget pressures lowered capital funding<sup>2</sup> and as transit authorities tightened their belts, repairs and upgrades were postponed which slowed service delivery and on-time performance. Aggravated riders sought out more convenient alternatives. A recent NJT Customer Satisfaction Survey illustrates the increasing rider dissatisfaction. Similarly, the MTA has faced significant reliability challenges. Over the past five years, the mean distance between failure (measured by average distance between failures resulting in a delay of more than five minutes) drastically decreased resulting in a larger proportion of the fleet breaking down or removed from service.

This common decline across most transit authorities underscores a vicious cycle of lower ridership leading to lower revenue and therefore less funding for needed investments. Continued national ridership declines and poor service threaten to hurt economic growth by increasing commute times, lowering property values, and potentially shifting businesses away from transit served central business districts. Although each major city's ridership trends are affected by different factors, identifying the primary causes and targeting investment in transit are necessary to sustain a strong transportation system- the backbone of a strong regional economy.

<sup>2</sup>According to the Federal Transit Administration's National Transit Database 2017 TS1.1 – Total Funding Time-Series data.



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