

# Uber and public transit—friends or foes?

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Falling transit ridership across big North American cities has raised concern that Uber, Lyft and other ride-hailing services may be leeching passengers.

But a new study in the *Journal of Urban Economics*, co-authored by BYU professor Joseph Price, suggests Uber is more of a complement

than threat to most public [transit](#) agencies.

"Our results show that Uber is not public transportation's enemy," Price said. "Some cities have been very opposed to Uber because they think it will erode the public transit system. Our paper says that is not true on average, and that it is a little more nuanced than that. "

The research team used American federal data on transit ridership for about 200 U.S. cities and towns where Uber has a presence, from New York City to Ames, Iowa. They estimated Uber's market penetration and took into account when it made its debut in each city to assess how it has affected ridership between 2000 and 2015.

They found that, in the average [city](#), a standard increase in the intensity of Uber's market penetration led to a 1.38-percent increase in ridership. After two years, average transit ridership increased by 5 percent.

Instead of being a problem for most [transit agencies](#), Uber seems to be "medicine" for transit that has fewer and fewer riders, said lead author Jonathan Hall, an assistant professor in the University of Toronto's department of economics and Munk School of Global Affairs & Public Policy.

But Uber's impact wasn't the same in all urban areas. "Our results indicate that Uber reduces transit ridership in smaller MSAs [Metropolitan Statistical Areas] while increasing ridership in larger cities," the paper says.

"There's a positive overall effect, but there are winners and losers," added Price.

The results were different depending on the size of the transit agency and mode of transportation. The study suggests Uber helps larger

agencies compared to smaller ones. It also seems Uber typically helps bus ridership but slightly decreases train use.

The researchers got their data on metro areas from the National Transit Database, which has monthly ridership numbers for transit agencies that get federal funding. They base their estimate of Uber market penetration on the relative number of Google searches for "[uber](#)"—which appears to be a good approximation for the number of Uber drivers per capita. The study focuses on UberX, which makes up the majority of Uber trips.

The data isn't enough to explain Uber's impact on transit, but the economists have a few theories. They suggest it can actually help transit by filling in gaps in the system's map and schedule. It can also offer a solution to what's known as the last mile problem in transportation—the idea that the last leg of your commute, such as getting from the subway platform to your office, is the hardest.

One reason Uber doesn't steal all that many passengers from transit is that it remains much cheaper to take the bus or train, the researchers explain. The median Uber fare was \$5, compared to \$1 for transit.

The paper, Hall said, intends to contribute to the conversation on efficient mobility and to show the importance of considering ride-hailing in the inventory of urban transportation options. "If I were a public transit agency, I would think about how I can embrace and collaborate with new technologies," said Price. "So with Uber, I might think of ways that we could offer packages to people and solve their transit problems for them. The more we integrate across platforms, the more you'll see people considering [public transit](#) as an option."

**More information:** Jonathan D. Hall et al. Is Uber a substitute or complement for public transit?, *Journal of Urban Economics* (2018). DOI: 10.1016/j.jue.2018.09.003

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