FARE INCREASE AND REVENUE OPTIONS

(Draft 7/24/2008)

Fare Type		Current		Option 1			Option 2		
Adult Cash									
Price	$	1.50	$	1.75	$	138,004	$	2.00	$	227,698
% Increase				17%				33%		
31-Day Pass									
Price	$	47.00	$	52.00	$	118,344	$	55.00	$	191,408
% Increase				11%				17%		
Ave. Fare	$	0.94	$	1.04			$	1.10		
Discount *		22%		26%				27%		
Adult 10-Ride									
Price	$	12.00	$	14.00	$	125,094	$	15.00	$	187,490
% Increase				17%				25%		
Per Ride Fare	$	1.20	$	1.40			$	1.50		
Discount*		20%		20%				25%		
Youth Cash									
Price	$	1.00	$	1.00	$	-	$	1.25	$	52,756
% Increase				0%				25%		
Youth 10-Ride									
Price	$	8.50	$	9.00	$	10,255	$	10.00	$	30,126
% Increase				6%				18%		
Per Ride Fare	$	0.85	$	0.90			$	1.00		
Semester Pass									
Price	$	125.00	$	135.00	$	98,848	$	150.00	$	184,120
% Increase				8%				20%		
Ave. Fare	$	0.97	$	1.04			$	1.13		
Senior Cash									
Price	$	0.75	$	0.85	$	6,733	$	1.00	$	16,653
% Increase				13%				33%		
Senior 10-Ride									
Price	$	7.50	$	8.50	$	9,581	$	10.00	$	23,698
% Increase				13%				33%		
Per Ride Fare	$	0.75	$	0.85			$	1.00		
S/D 31-Day Pass									
Price	$	23.50	$	26.00	$	2,261	$	27.50	$	3,592
% Increase				11%				17%		
Ave. Fare	$	0.49	$	0.54			$	0.57		
Day Pass									
Price	$	3.40	$	4.00	$	12,495	$	4.50	$	22,907
% Increase				18%				32%		
Ave. Fare	$	1.13	$	1.33			$	1.50		
TOTAL					$	521,613			$	940,449

* Discount refers to the original Deep Discount ratios recommended in 1993 when Metro converted to this type of fare structure. The underlying theory is to offer discounts on tickets and passes to encourage cash payers to shift to these media and in so doing, ride more. With more frequency of riding, fare revenues should also increase. However, if signficant shifts don't occur, revenue potential is lowered. Recommended discounts in 1993 were 25% for tickets compared to cash and 15% for monthly passes compared to tickets on a per ride basis. Metro has maintained these discounts through numerous fare increases.