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**Item No. 5.**  
**Transportation Standing Committee**  
**November 24, 2016**

**TO:** Chair and Members of the Transportation Standing Committee

Original Signed

**SUBMITTED BY:**

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Dave Reage, MCIP, LPP, Director, Halifax Transit

**DATE:** October 4, 2016

**SUBJECT:** Consideration of Low Income Transit Passes for Low Income Seniors

**INFORMATION REPORT**

**ORIGIN**

At the June 14, 2016 meeting of the Transportation Standing Committee, the following motion was put and passed:

**MOVED by Councillor Rankin, seconded by Councillor Walker:**

**That the Transportation Standing Committee request a staff report outlining:**

- a) An analysis of the demographic characteristics of seniors in the municipality, specifically as it relates to income level and the percentage of seniors that could be considered low income for the potential purpose of providing subsidized low income transit passes; and**
- b) An analysis of the existing costs of providing discounted transit fares for seniors.**

**LEGISLATIVE AUTHORITY**

*Halifax Regional Municipality Charter*, R.S.N.S. 2008, c. 39. section 69(1) provides the legislative authority for the Municipality to provide a public transportation service. Section 79(1)(o) provides the authority for Regional Council to expend money required by the municipality for public transportation services.

Schedule 1 of By-Law U-100, *User Charges By-law* describes user charges for Halifax Transit, including reduced rates for some groups.

## **BACKGROUND**

Halifax Transit currently offers age-based discounts to transit passengers 65 years of age or older and children between the ages of 5 and 15. Table 1 below summarizes the discounted rate provided to children and Seniors. The discount offered varies by fare type, but is a reduction of between 21% and 30% of the regular fare:

**Table 1: Percent Savings by Fare Media**

Fare Media	Full Fare	Child/Senior Fare	Percent Savings
<b>Cash Fare</b>			
Conventional <sup>1</sup>	\$2.50	\$1.75	30%
MetroLink	\$3.00	\$2.25	25%
MetroX	\$3.50	\$2.75	21%
<b>Sheet of 10 Tickets</b>			
Conventional	\$20.00	\$14.50	28%
<b>Monthly Pass</b>			
Conventional	\$78.00	\$58.00	26%
MetroLink	\$94.50	N/A	N/A
MetroX	\$111.00	N/A	N/A
<b>SmartTrip Epass</b>			
Conventional	\$702.00/year	\$522.00/year	26%

### **Free Transit Service for Seniors**

In August 2012, Regional Council approved a motion to offer transit service free to residents 65 and older on Tuesdays during the off-peak period (midday and evenings). As such, Seniors can travel free of charge on Tuesdays, from 10:00am to 3:30pm, and after 6:00pm, on regular bus, and ferry services. Additional fare for MetroX (\$1.00) and MetroLink (\$0.50) is required. Access-A-Bus services are excluded from this program.

Seniors who qualify for free travel are advised to carry proper photo identification as the Operator may request proof of age upon boarding.

### **Low Income Transit Pass Pilot Program**

In June 2016, Regional Council approved Schedule 1 of By-law U-100 which enabled the launch of the Low Income Transit Pass Pilot Program. The criteria stated that any Halifax resident with an annual household income of \$33,000 per year or less could be eligible<sup>2</sup> for the program, regardless of age. If selected, participants in the six month pilot program could purchase monthly passes at a rate of 50% off the regular monthly pass price. This discount provided through the pilot program is on the Adult monthly pass rate only, and will not be applied to the already reduced Seniors' monthly pass rate despite the fact the participant may be 65 years of age or older.

Pilot program participants who are Seniors would still be receiving a 33% discount above what they would receive by purchasing a Seniors monthly pass.<sup>3</sup> At time of writing, it is unclear how many pilot program participants are 65 years of age or older.

<sup>1</sup> Conventional service includes bus, ferry, Access-A-Bus

<sup>2</sup> With the exception of those currently receiving subsidization for transportation costs from another agency.

<sup>3</sup> A Seniors' monthly conventional transit pass is \$58 per month and the Low Income Transit Pass Pilot Program offers the conventional transit pass to qualified program participants at \$39 per month.

## **DISCUSSION**

### **Halifax Demographic Composition**

According to the Halifax Census Metropolitan Area profile, in 2011, the median age of residents is 39.9 years, and 84.7% of residents are over 15 years of age. At this time, there were 51,105 residents 65 years of age or older, representing approximately 13% of the population. As per Table 2 below, between 2002 and 2011, the number of residents age 65 or older saw an overall percent change of 29%.

**Table 2: Age Cohort Percent Change, Halifax CMA (2001, 2006 and 2011)**

<b>Age Cohorts, Halifax CMA</b>	<b>2001</b>	<b>2006</b>	<b>2011</b>	<b>Percent Change in Age Cohort  (2001 to 2011)</b>
65 to 74 years	21,560	24,250	28,680	33%
75 to 84 years	13,585	15,040	15,770	16%
85 years and over	4,385	5,675	6,655	52%
<b>Overall</b>	<b>39,530</b>	<b>44,965</b>	<b>51,105</b>	<b>29%</b>

### **Average Household Income for Seniors in Halifax**

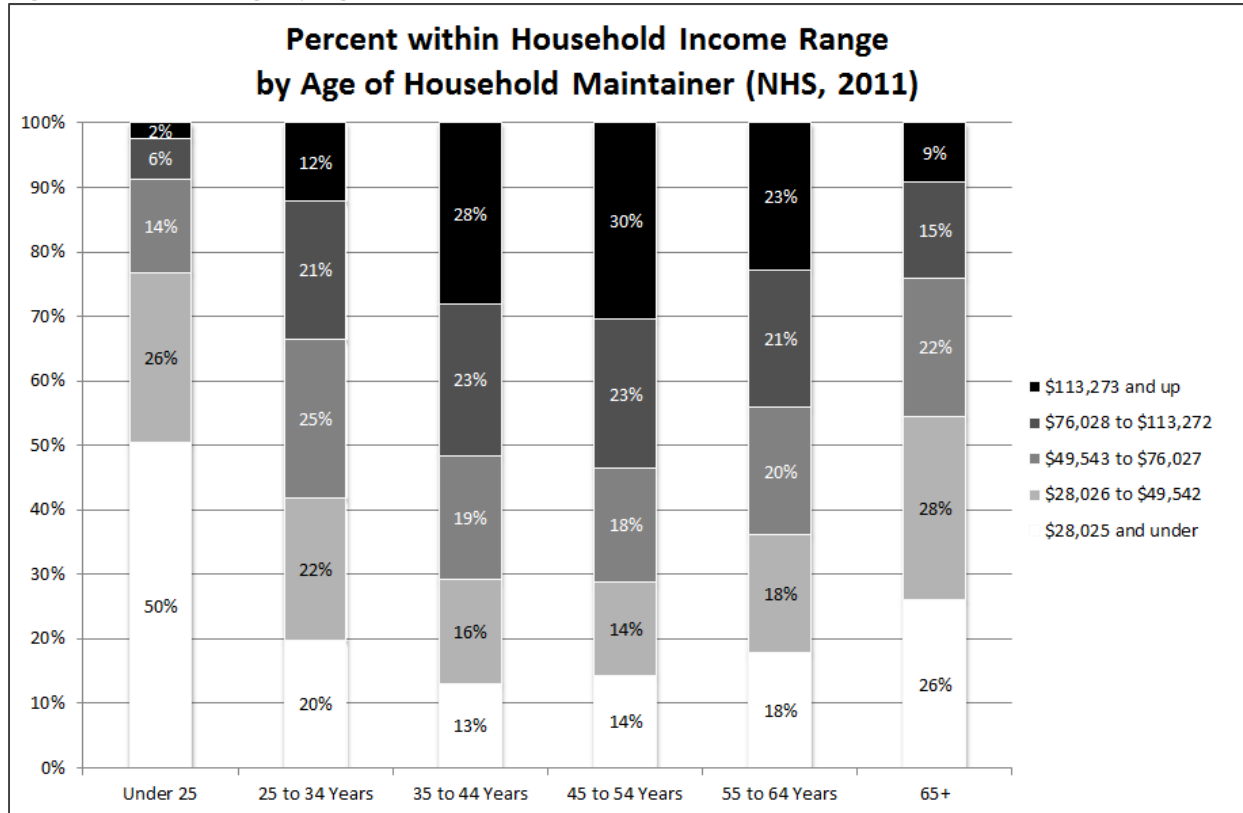
The 2011 National Household Survey compiled the average household income of Halifax residents grouped by the age of the primary household maintainer.<sup>4</sup> The data is broken into income deciles, grouped below in Figure 1.<sup>5</sup>

Figure 1 details the breakdown of average household income by primary household maintainer's age as of 2011. Figure 2 illustrates the same data as of 2001. The household income breakdown in 2011 indicates that of households in Halifax where the primary household maintainer is 65 years old or older, approximately 26% have an average household income of \$28,025 or less, below the Halifax Low Income Index which in 2011 was \$30,000 per household.

<sup>4</sup> According to Statistics Canada, the primary household maintainer is the first person in the household named in the survey. The order of the persons in a household is determined by the order in which the respondent lists the persons on the questionnaire. Generally, an adult is listed first followed, if applicable, by that person's spouse or common-law partner and by their children. The order does not necessarily correspond to the proportion of household payments made by the person.

<sup>5</sup> Figures 1 and 2 group deciles into five income categories for the sake of clarity. If household income was distributed equally across all age cohorts in figures 1 and 2, then each income category would represent 20% of all households in the age cohort. Any percentage above or below 20% represents that this income category is more or less common in a particular age cohort.

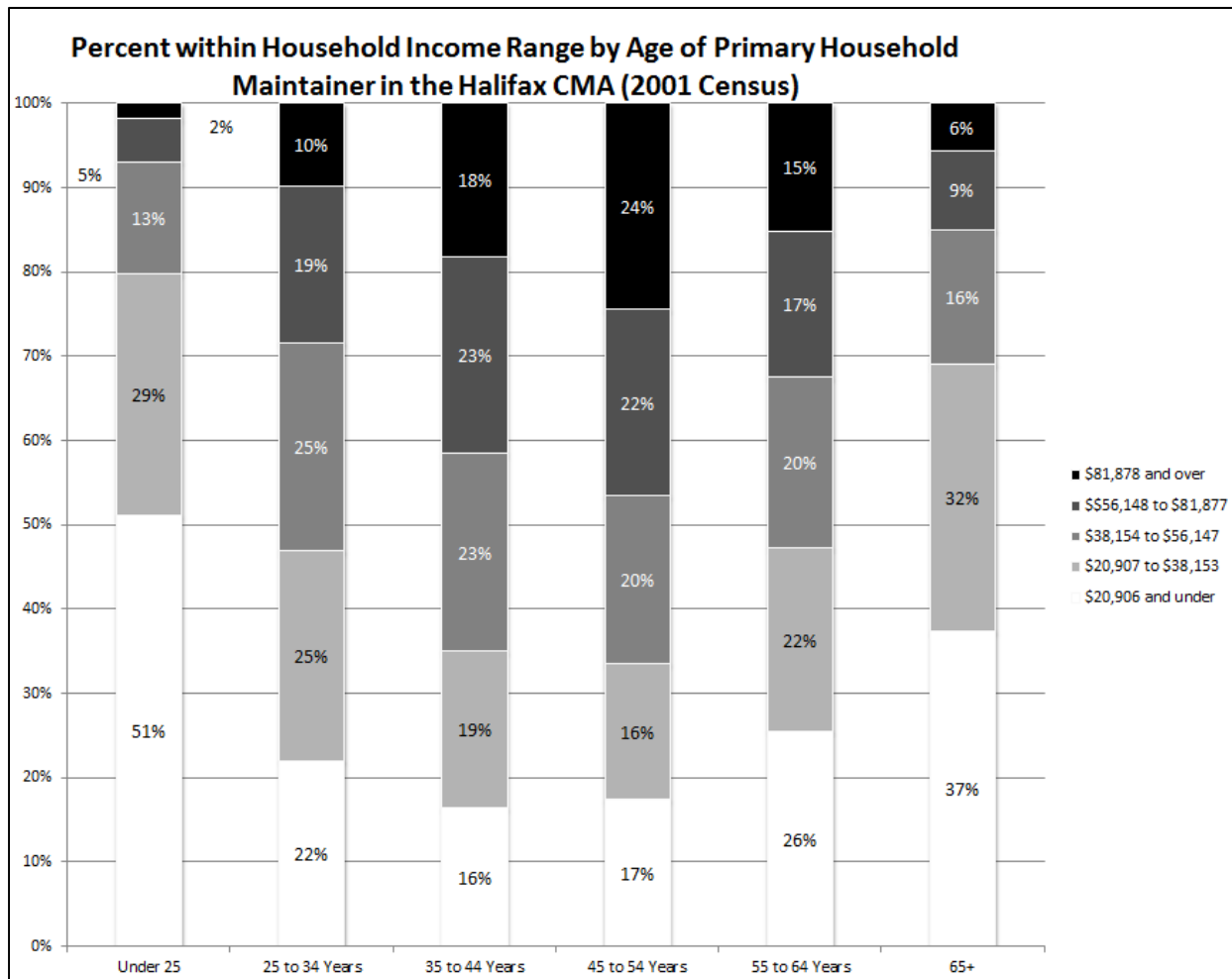
Figure 1: Income Range by Age of Household Maintainer (2011)



The oldest age cohort is overrepresented in the lowest income category when compared to households led by maintainers in other age cohorts between the ages of 25 and 64. However, households with a maintainer under the age of 25 are at least twice as likely to be in the lowest income category when compared to any other age cohort.

Figure 2 details the breakdown of average household income by primary household maintainer's age as of 2001. Similar to 2011, the household income breakdown in 2001 indicates that of households in Halifax where the primary household maintainer is 65 years old or older, approximately 37% have an average household income of \$20,906 or less, and 57% have an average household income of below \$29,460.

Figure 2: Income Range by Age of Household Maintainer (2001)



Based on an income threshold of approximately \$30,000 per household or less, between 2001 and 2011, the number of Senior-led households that fell within this category declined from 57% in 2001 to 26% in 2011. Over the same period, the number of seniors residing in Halifax has increased by 29%, indicating that while the number of Seniors is increasing, so too is the average household income of this age cohort. While Seniors are overrepresented in the lowest two income categories (i.e. more than 20% of households of fall into each of the lowest income categories), so too are other age cohorts.

### Cost of Offering Reduced Rate for Seniors

As per Table 3 below, in the 2015/2016 fiscal year, a total of 11,158 Child/Senior monthly transit passes were sold for a total of \$647,164 in revenue. It is unclear what number of these were purchased or used by Seniors or Children, as both groups use the same fare media. If sold at the full adult rate, this would have been a total of \$223,160 in additional revenue in the 2015/2016 fiscal year.

Over the same period, a total of 68,000 sheets of ten tickets were sold at the reduced rate for Seniors or Children for a total of \$986,000 in revenue. If sold at the full adult rate, this would have been \$374,000 in additional revenue in the 2015/2016 fiscal year. Therefore, the total cost of providing discounted pass and ticketed fare media was \$597,000.

As there is no way to determine how many passengers have paid reduced cash fare, there is no accurate way to quantify the potential lost revenue caused by offering a reduced cash fare. Further, there is no

data available to determine the revenue loss incurred by other programs such as the free transit service to seniors on Tuesdays, described above.

### **FINANCIAL IMPLICATIONS**

No financial implications have been assessed as a part of this report.

### **COMMUNITY ENGAGEMENT**

No community engagement was undertaken as a result of this report.

### **ATTACHMENTS**

No attachments.

### **SOURCES**

Statistics Canada. (2016, May 2). Census Profile: Halifax CMA 2011. Ottawa, Ontario, Canada.  
Statistics Canada, National Household Survey, Halifax CMA 2011. Ottawa, Ontario, Canada  
Statistics Canada, 2001 Household Income Deciles Table 1B, 2001. Ottawa, Ontario, Canada

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A copy of this report can be obtained online at <http://www.halifax.ca/commcoun/index.php> then choose the appropriate Community Council and meeting date, or by contacting the Office of the Municipal Clerk at 902.490.4210, or Fax 902.490.4208.

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