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Fitch: US Public Transit Faces Multi-Year Recovery

Fitch Ratings-Chicago/New York-10 August 2022: The pandemic was a severe blow to US public transit systems, resulting in durable declines in ridership and pressures on operating budgets, Fitch Ratings says in its report U.S. Public Transit Faces Multi-Year Recovery. Hybrid and remote work fundamentally changed demand, with ridership facing a long recovery to a new normal that will require new sources of revenue or service reductions at the most fare-dependent agencies.

Public transit ridership was trending lower before the precipitous declines of the pandemic. Overall US ridership subsequently plummeted 53% in 2020 and remains around 50% below pre-pandemic levels.

The nation's largest transit agencies previously were able to employ pricing power based on commuter demand for transportation to urban job centers but commuter volumes are unlikely to return to pre-pandemic levels. Our base case assumes ridership does not fully recover, although some agencies may exceed this expectation. Major fare-dependent agencies estimate ridership will recover to 70%-90% of pre-pandemic levels.

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