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Beyond "fare free": Targeted approaches to transit affordability

Madeline Brozen, Carley Markovitz & Stanley Toussaint • November 2026

Key Findings

- Discount programs for low-income transit riders are growing but remain limited across the U.S. Nearly all existing programs offer discounted fares rather than fully free transit access.
- Existing programs are often underenrolled. Agencies should create multiple opportunities to enroll eligible riders, including streamlined online applications, pop-up in-person enrollments, administrative data from other income-based programs to enable automatic or categorical eligibility, and partnerships with verification providers to verify eligibility quickly and securely.
- Cities can partner with transit agencies to champion affordability efforts, fund discount programs, and streamline digital eligibility information.

Affordability is a top-tier concern for communities nationwide. When it comes to transportation, affordability concerns largely focus on rising gas prices, centering car owners and leaving little room for local policy solutions. But local governments can address the availability, access, and affordability of public transit systems for the riders who depend on them. When it comes to transit, "fare free" is being touted across the country as the simplest, most quotable answer. The intentions and desired outcomes are clear: for many riders, the cost of a trip can make or break access to a job, a doctor, or a classroom.

Currently, only a minority of the largest transit agencies provide income-based discounts (Darling et al., 2021). Most existing programs are underutilized, with average enrollment around 30% of eligible riders (Rennert et al., 2025). Previous research finds that a lack of operational simplicity is one of the major barriers to program adoption (Harmony, 2018).

To help cities and transit agencies develop effective fare relief programs, we examine three programs from across the country that offer different approaches to discount types and program enrollment: New York City, Los Angeles, and Philadelphia. This research highlights lessons and recommendations for designing and delivering transit benefit programs that provide riders with meaningful cost benefits and a dignified customer experience.

Case Studies

We focus on low-income discount programs in New York City (MTA), Los Angeles (LA Metro), and Philadelphia (SEPTA). New York City and Los Angeles are two of the largest agencies in the U.S. and operate income-based discount programs. We also showcase the Philadelphia program because it is unique in its enrollment process: it automatically enrolls eligible participants through a random selection process, rather than requiring them to apply.

Program Details

NEW YORK CITY FAIR FARES

The New York City transit fare discount program is administered by the New York City Human Resources Administration (HRA) in partnership with the Metropolitan Transportation Authority (MTA), and provides eligible participants with a 50% discount on transit fares. The program

Table 1.

Program Summary

	MTA NYC Fair Fares	LA Metro LIFE	Philadelphia Zero Fares
Number of people enrolled	400,000	475,000	30,000
Percent of eligible riders enrolled†	40%	41%	54%^
Discount approach/price	50% discount	90 days unlimited free rides upon enrollment, 20 free rides per month on LA Metro service or discounts on 16 other regional transit agencies	Unlimited free rides
Fare medium	OMNY card or discount can be applied to an individual's debit/card card	TAP card	SEPTA Key cards
Eligibility	NYC resident Age 18-64 Annual household income below $23,940 for a single-person household, increasing with household size*	Los Angeles County resident Age 18+ (Under 18 must enroll through a parent/ guardian) Annual household income below $58,300 for a single-person household, increasing with household size**	City of Philadelphia resident Age 18-64 Annual household income below $23,940 for a single-person household, increasing with household size*
Enrollment process	Online application or dedicated in-person enrollment offices across NYC's five boroughs	Online application supplemented with nonprofit administrator and partner agencies that offer on-site enrollment at events by request Select Department of Social Services offices also offer on-site enrollment	Automatic enrollment through random selection of recipients enrolled in income-based social service programs

Table 1 cont.

Program Summary

	MTA NYC Fare Fares	LA Metro LIFE	Philadelphia Zero Fares
Proof of eligibility	Government-issued photo ID, passport from any country (including government-issued IDs expired up to 3 years prior) to verify identify and age; Bill or government-issued letter to verify residency; Tax return, disability, pension, SSI or unemployment benefits statement, pay stubs, employment letter or bank statement to verify income; OR Categorical eligibility via enrollment in social service programs can provide identity, residency, and income eligibility via the city's administrative data	Photo ID, passport, or student ID to verify identity; Enrollment in social service programs (EBT letter, Medi-Cal card, Social Security, unemployment, TANF letter) or tax returns, check stub, W-2/1099, or self-attestation to verify income eligibility	90% of participants are enrolled through a random selection based based on enrollment in income-based social service programs; 10% enrolled through community-based organization partnerships
Renewal	Participants renew annually	Participants do not need to re-enroll	Participants do not need to re-enroll
Annual program budget (FY2025)* **	$116.3M	$33.5M	$31M

† *Estimates provided by each jurisdiction based on enrollment and rider income data.*
^ *The eligible riders enrolled has declined in Philadelphia since the program began. In 2025, the program eligible enrollment was 63%, the cited number is from a 2026 report.*
* *Based on 150% of the 2026 federal poverty guidelines*
** *Based on 50% (very low) income limits, for the Los Angeles-Long Beach-Glendale Metro Area*
*** *This represents stated program costs from each agency and does not include costs related to fare collection or enforcement.*

began just before the onset of the COVID-19 pandemic, which paused program advertising and in-person enrollment centers. Since then, the mayor's Public Engagement Unit worked to raise awareness by sending text messages and making follow-up phone calls to eligible participants.

The application process is largely online, with some in-person support opportunities, and requires people to submit identity, residence, and income verification documents and wait up to 30 days for approval. After approval, applicants can receive benefits by choosing one of two delivery methods: a physical Fair Fares NYC OMNY card can be mailed to them, or by linking a personal credit or debit card or smart device (e.g., smartphone, smartwatch, etc.) for instant access to discounted fares.

In the last four years, the program's actual annual expenditures have been below the budgeted amount for each fiscal year, reflecting underenrollment among eligible participants (Committee on General Welfare and Committee on Transportation and Infrastructure, 2026). Enrollment has grown steadily but slowly, and the city estimates that about 40% of eligible riders are enrolled.

One pathway that has shown promising enrollment growth is the Fast Track program. Residents who receive temporary cash assistance or SNAP through the city and have an ACCESS HRA digital account can streamline the Fair Fares enrollment process. This process requires participants to opt in to the terms of the program, and then receive their OMNY card in two to three weeks. This approach has accounted for two-thirds of Fair Fares enrollments since 2023 (NYC Independent Budget Office, 2026).

More recently, the mayor and New York City Council agreed to expand eligibility in fiscal year 2027 from 150% to 200% of the federal poverty level, allowing an additional 340,000 New Yorkers to qualify. In its current form, this expansion may create enrollment challenges by straining existing operational processes and causing bottlenecks. In response, the New York City Council voted in September 2026 to approve a bill to streamline enrollment through an informed consent process for the program's lowest-income users who already receive other benefits, thereby codifying the Fast Track program into law.

LA METRO LIFE

LA Metro launched its low-income fare discount program in 2019. The LIFE program provides 20 free rides per month to eligible riders. In 2021, the agency set a goal to double enrollment to coincide with reinstating fares after the COVID-19 pandemic suspended fare collection. Program improvements included adding an online application and allowing self-certification and enrollment in social service programs as proof of income eligibility. The agency also added a 90-day period of unlimited free rides for new enrollees. These improvements helped the agency meet its goal of doubling enrollment to 217,000 people by May 2023. Enrollment has continued to grow since then, reaching approximately 475,000 enrollees as of November 2025.

While program enrollment increased, only between one-third and one-half of enrolled people actively used their benefits, and participation declined further six months after joining.[1] One reason may be the program design. According to LA Metro's 2024 survey report, some riders interpreted "20 rides" as $20 or 20 days, and two-thirds of respondents didn't know the ongoing benefit existed after their 90-day unlimited period ended.

Another barrier to use of the benefit was operational. Previously, participants had to manually reload their benefits each month. This proved the largest barrier to continued use: 45% didn't know they had to take action, 40% forgot, and nearly 70% of those who stopped using the benefit cited the requirement as a barrier (LA Metro, 2024).

In response, beginning in August 2024, new participants could opt in during the enrollment process to automatically load their 20 free rides each month. Existing participants could also activate it by going online or calling TAP Customer Service. Within a year, more than half of enrollees used the auto-load feature, which helped increase program participation.

1 The number of active users has shifted over time. A 2025 program audit estimated LIFE had 49% active users; more recent enrollees are more likely to be active users than people who enrolled earlier.

Alongside the LIFE program, LA Metro operates a mobility wallet pilot program to further address transit affordability. In partnership with the Los Angeles Department of Transportation (LADOT) and the California Integrated Travel Project (Cal-ITP), LA Metro provides low-income recipients with flexible transportation funds via prepaid debit cards.

In two rounds of the pilot, 1,000–2,000 people received $1,800 per year to spend on shared transportation services, including transit, ride-hailing, shared bikes, and scooters. Program recipients described the mobility wallet as complementary to the LIFE program, as frequent transit users often ran out of LIFE trips before their benefits were reloaded the following month. Mobility wallets also helped LIFE recipients address safety and accessibility concerns by supplementing transit with ride-hailing for late-night trips or trips to destinations that were less accessible by transit alone (Kim et al., 2025). The mobility wallet pilot is entering its third phase, which is anticipated to provide these benefits for up to 10,000 residents in 2027.

PHILADELPHIA ZERO FARES

Philadelphia's Zero Fare program is a city-run pilot launched in August 2023 to give eligible low-income residents free, unlimited transit rides on SEPTA (Southeastern Pennsylvania Transportation Authority). The city of Philadelphia administers the program in partnership with SEPTA.

Unlike common application-based enrollment approaches, the city selects roughly 90% of participants through a lottery using its social service and income database, then mails selected participants a SEPTA Key card. Participants don't need to apply or opt in to receive the benefit. This approach uses administrative data to identify and automatically enroll selected residents, consistent with the city's delivery model for other utility and water bill assistance programs.

The other 10% of participants enroll through community organizations that serve immigrants, refugees, and others. The program has achieved a 54.3% participation rate among the randomly selected eligible recipients. One programmatic limitation is that participation in the program is capped at 30,000 and lottery-based, so it cannot serve every eligible resident. The program initially planned to provide the benefit for at least one year. After its first year, the city determined that the budget allowed it to continue without a renewal or sunset timeline.

Findings

» **Low-income fare programs are underenrolled, and enrollment barriers are a primary cause.**
Given low enrollment among eligible participants, the programs in New York and Los Angeles point to a need for greater awareness and simpler enrollment processes. Agencies have limited resources to promote their programs to eligible riders and help them enroll. Application processes that require extensive documentation can also raise privacy concerns and deter some eligible riders, particularly immigrants, from seeking out assistance.

» **Program design involves a tradeoff between benefit depth and enrollment reach.**
With limited resources, there are inherent tradeoffs between how many riders can be reached and the scale of the benefits they receive. Fully free fares provide the greatest benefit per rider but, under a fixed budget, limit the number of participants. Philadelphia's Zero Fare program offers unlimited free transit to a restricted number of participants. LA Metro's LIFE program offers a limited number of free rides per month followed by fare capping, and enrolls substantially more riders at comparable cost: approximately 475,000 enrolled riders on a $33.5 million annual budget versus 30,000 enrolled riders in Philadelphia Zero Fares on a $31 million annual budget. The appropriate design depends on whether a jurisdiction prioritizes deeper relief or broader coverage.

» **Linking fare discounts to social service programs benefits administrators and recipients.**
Income eligibility for fare discounts often aligns with other programs, such as Medicaid, food assistance, and utility bill discounts. Accepting enrollment in these programs as proof of income is less burdensome for riders than requiring tax returns or other income documentation. Agencies can use "categorical eligibility" to accept administrative data or coordinate with program administrators to identify potential participants. New York City's Access HRA portal, which uses city administrative data for categorical eligibility, allows select eligible riders

to sign up in one step: they must complete the opt-in process to enroll in the program. This approach has driven substantial enrollment growth, with two-thirds of current Fair Fares NYC participants accessing the benefit through the Fast Track pathway.

» **Cities serve as funders and partners in fare discount programs.**
New York City and Philadelphia directly fund their fare discount programs. In Los Angeles, though the city doesn't contribute toward LIFE program costs, LADOT partnered with LA Metro on its mobility wallet program. Funding low-income discount programs through municipal governments rather than through transit agencies positions these programs as providing community benefits beyond the transit system. City involvement can also support greater coordination around categorical eligibility among various programs serving the same low-income populations. For example, linking transit discounts with housing stipends or cash assistance programs without requiring additional verification can increase awareness and use of both benefits.

» **Mobility wallets can complement reduced-fare programs by supporting trips beyond transit.**
Mobility wallets provide flexible funds for trips that low-income riders may need to take but that are not well served by transit. While distinct from traditional discount programs, mobility wallets are a promising complementary tool when funding permits. For example, a three-month mobility wallet could be offered as an incentive to enroll in a transit fare discount program or as a combined benefit for someone receiving wraparound supportive services after a crisis. Aligning eligibility and program administration across both discount and subsidy programs reduces duplicated effort and minimizes the need for participants to recertify multiple times.

Conclusion

When it comes to transit, "fare free" does not have to mean "fare free for all." While affordability is top of mind across the country, local leaders can keep public transit cost-effective by directing fare discounts to lower-income riders. By aligning the fare system with ability to pay, agencies can ensure that riders who need free or discounted fares receive these benefits through streamlined, dignified processes, while riders who can afford to pay continue to do so. This targeted approach also helps preserve farebox revenue, which agencies need to maintain reliable service amid significant fiscal pressures. In turn, it protects the service that makes fare relief meaningful.

The case studies reviewed show that income-based fare discounts are a practical and fiscally responsible way to deliver relief to people who need it most. The following recommendations are intended to help cities and agencies interested in designing a new fare discount program — or increasing enrollment among eligible riders in established programs — improve the experience for both riders and agencies.

Recommendations

1. **Establish low-income discount programs that address rider affordability.** Agencies not yet offering an income-based benefit can support transportation affordability by establishing discount programs. These programs can start small by focusing on specific rider populations and complementing existing low-income assistance programs for housing or food through consistent income eligibility thresholds. Over time, as adoption and awareness grow, transit discount programs can expand benefits, such as by offering a complementary mobility wallet.

2. **Offer multiple ways to learn about and enroll in low-income discount programs.** Combining online applications, in-person enrollment, and targeted partnerships with social service programs (including the use of administrative data) creates multiple pathways for eligible recipients to access benefits. In-person sites and social service partnerships help bring transit discount opportunities to places where people already are, rather than requiring them to learn about and apply for a separate program. Social service providers often have a broader understanding of the types of support people need than transit agencies, making these partnerships valuable. More enrollment opportunities may also increase the percent of eligible riders enrolled.

3. **Simplify enrollment documentation process for a more dignified customer experience.** The administrative burden of providing multiple eligibility documents repeatedly for different low-income programs creates a poor experience for people and can increase data security risks for agencies. Transit agencies can partner with providers that verify identity and program eligibility or use categorical eligibility for people already enrolled in income-based programs such as Medicaid, SNAP, or other assistance programs. These digital enrollment options can serve as a "one-stop" eligibility pathway. For example, Cal-ITP Benefits allows transit agencies to verify riders' identity and eligibility for fare discounts from other sources. The verified benefit can then be applied to an agency-funded card, such as the LA Metro mobility wallet, or a card of the rider's choice.

4. **Align transit benefits with city and state benefit programs.** City and state departments often already administer a variety of low-income benefit programs and can support transit discounts as a complementary benefit. Elected officials calling for "free fares" or broader affordability efforts can work with transit agencies to target benefits to those who need them most. Cities can also provide funding to offset lost transit fare revenue and help facilitate access to administrative data through partnerships with social service departments. These partnerships can make discount programs more fiscally sustainable while simplifying enrollment.

5. **Leverage open-loop payments to deliver benefits.** As more transit agencies allow riders to pay their fare with credit or debit cards, they can also allow riders to pay discounted fares using the same methods. In addition to reducing program administration costs due to printing and shipping cards, discounts applied to bank cards remove the potential for discrimination by allowing everyone to tap to pay in the same way, while only eligible riders receive discounted fares. A potential additional benefit is increasing familiarity with banking products and financial inclusion for transit riders (Cznerny et al., 2024).

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