

2024 MARKET SURVEY REPORT

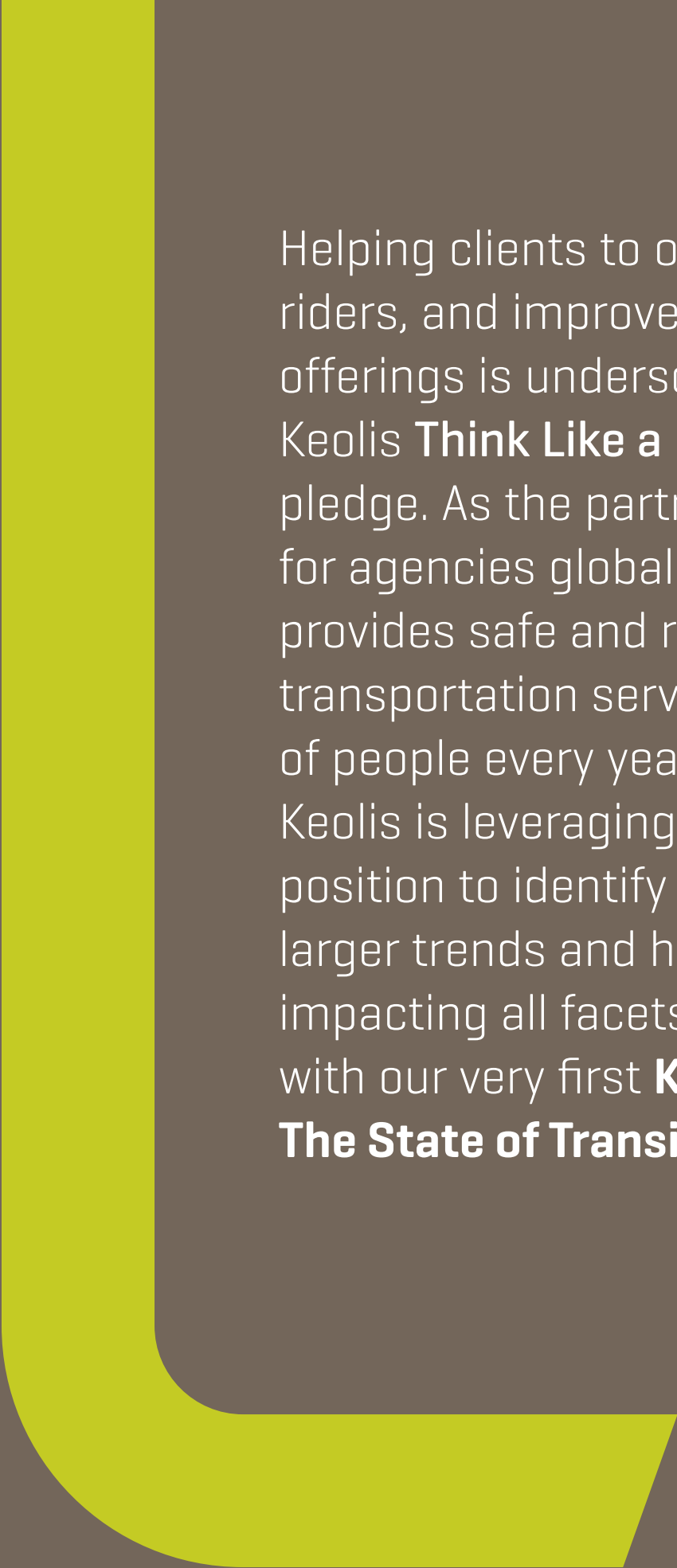
The State of Transit



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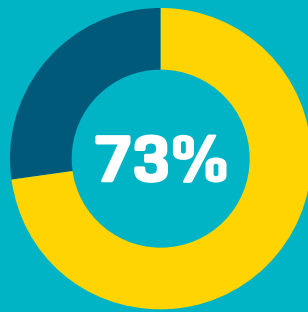




Helping clients to operate, serve riders, and improve service offerings is underscored with the Keolis **Think Like a Passenger** pledge. As the partner of choice for agencies globally, Keolis provides safe and reliable public transportation services to millions of people every year. Therefore, Keolis is leveraging its distinct position to identify and spotlight larger trends and headwinds impacting all facets of the market with our very first **KEOLIS REPORT: The State of Transit** for 2024.

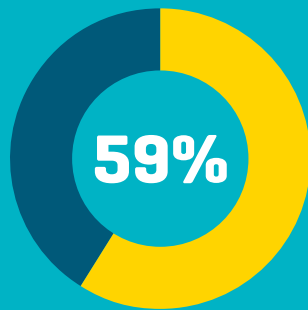
Sample and Methodology

In Q4 2023, Keolis partnered with a third-party research firm to poll **92 anonymous mid-to-senior leaders at public transit agencies** with decision-making positions and broad influence. Among the highly targeted sample size, more than three quarters currently oversee bus operations.



REPORT AN ANNUAL
RIDERSHIP OF **OVER
10 MILLION** IN 2022

and



REPORTED TO HAVE
**AT LEAST TEN OR MORE
YEARS** OF EXPERIENCE
IN THE INDUSTRY

Keolis Report Objectives

- 1 Establish a 2- to 5-year outlook
- 2 Identify largest challenges facing agencies
- 3 Digest the findings and identify unmet needs
- 4 Set benchmarks and adapt survey for industry-wide forecast

In addition to painting an accurate picture of the state of the industry, the comprehensive results and topline insights are essential for informing leaders and empowering key stakeholders within the larger public transportation industry.





THINKING LIKE A
PASSENGER

A man with short, graying hair, wearing a light blue button-down shirt and brown suspenders, is looking down at a tablet device. He is standing on a transit vehicle, with a yellow handrail visible in the foreground. The background is blurred, showing the interior of the vehicle and some structural elements.

Industry Snapshot

**Among agencies' top priorities:
growing ridership,
alleviating traffic
and identifying
sustainable
funding sources**



TOP PRIORITIES

- Growing Ridership
- Alleviating Traffic
- Identifying Funding Sources

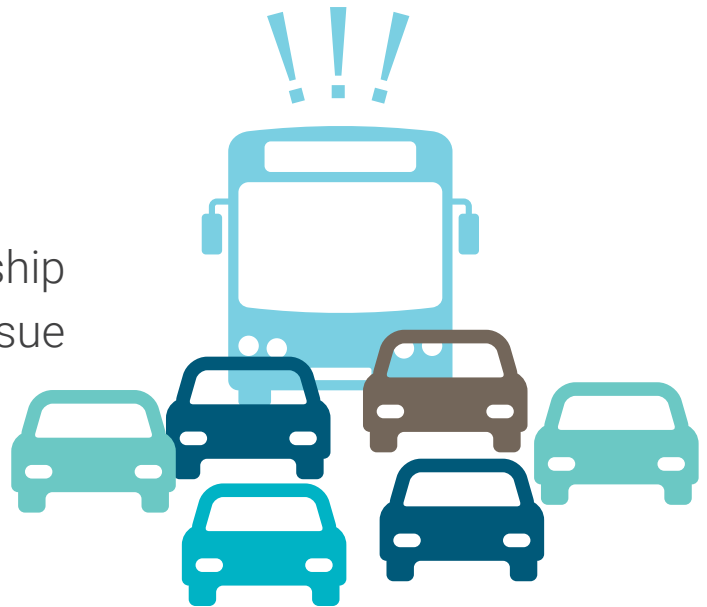
5 Key Takeaways

A key finding from the responses is that ridership growth is a pertinent issue among transit leaders.

Sustainable funding sources and operational impacts

to service from local traffic are also top of mind.

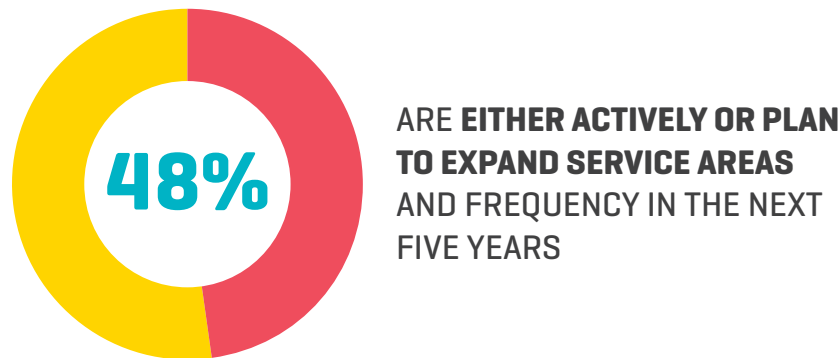
These priorities all have various impacts on each other. For example, **when agencies increase dollars behind attracting passengers and generating consumer demand for commuting services and enhanced user experiences, markets reduce reliance on single occupancy vehicles (SOVs) and position transportation as a priority agenda item for local governments.**



At a high level, Keolis leadership has identified five topline insights for leaders in 2024 and beyond.

1 OPTIMISM ABOUNDS

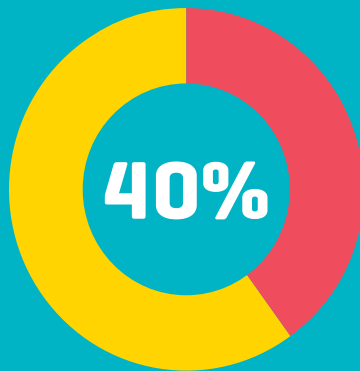
Leaders report that efforts are already underway to expand services and build ridership. Implementing learnings from the Great Recession and cities that bounced back quickly following the Covid-19 global pandemic—



Returns on similar investments in recent history bodes well for these leaders. A notable example that received wide-spread industry coverage, [Houston saw an opportunity in 2015](#). While many in the industry implemented austerity models, the city invested in a bus network redesign that prioritized uncomplicated, localized, and frequent rides. The practical changes helped the city become one of the few to report increased bus ridership. Just like highway expansions can induce more SOVs, frequent, efficient, and easy to understand transit systems can also attract more riders.

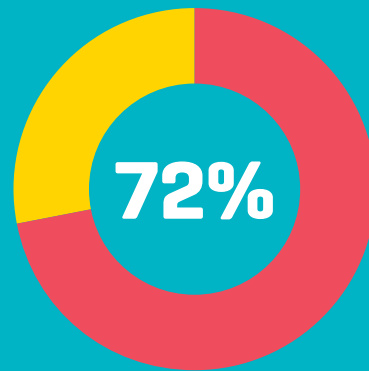


2 RIDERSHIP REMAINS THE FOCUS FOR MOST AGENCIES



LIST RIDERSHIP AS THEIR
TOP PRIORITY

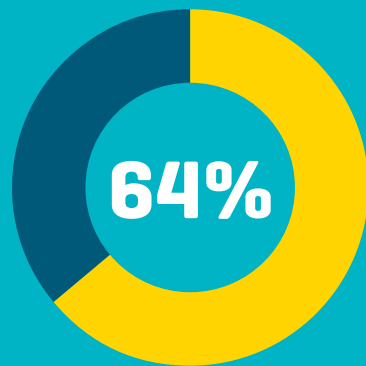
Similarly



REPORT RIDERSHIP AS A
PRESSING CHALLENGE



3 DEFINING SAFETY



CITE SAFETY AS A CURRENT
AND FUTURE PRIORITY

Drilling down further is required to assess current actions occurring in the market. This survey did not define safety for respondents. A significant learning was the acknowledgment that there is **value in defining areas within safety** to further assess priorities in occupational safety, operational safety, rider security and risk management/assessment as well as growing areas of vigilance around cyber security and reaching underserved populations.



4 PLANNING FOR EXPANSION

Shifts in consumer habits have a significant effect on agencies today and more than a quarter report actively **planning for expansion within 2-5 years**.

- a) Post lockdown, commuters reduced trips to major urban centers but turned to SOVs to conduct more frequent local trips, significantly adding to traffic concerns on a local level.

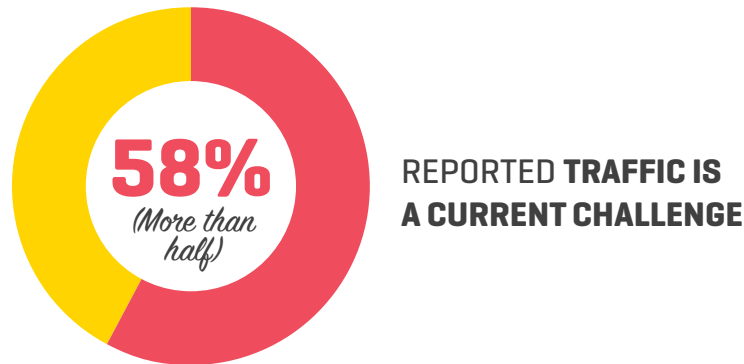


- b) Increased public awareness of environmental impact on everyday life has resulted in local leaders setting goals to reduce carbon emissions, build out infrastructure to support EVs with charging stations and road-usage charges, and demand innovation from agencies when transitioning to different energy types. In fact, the data does support observations on attitudes towards the environment as a growing concern among younger generations—the demographic most likely to regularly use public transit.



5 CONSUMER AWARENESS AND OPINION

Reflective of growth in vehicle miles traveled year over year, notwithstanding a moderate dip during the pandemic—



Alternatively, there is research to suggest a latent demand for non-driving modes of transit. In 2017, [Mobility Lab](#) published findings to support how introduction of better pedestrian and cycling infrastructure is largely embraced by the public. Given its unique position as a safe and reliable alternative to driving, the public transportation industry has an opportunity to redress consumer awareness and opinions regarding all transportation from SOVs to mass transit options.





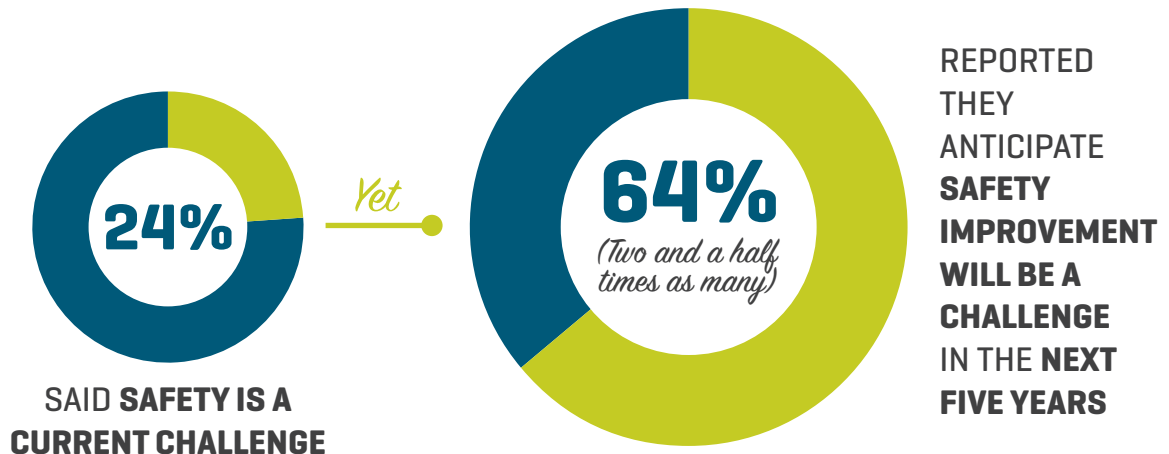
A man with dark hair, wearing a blue jacket over a grey t-shirt, is holding a black smartphone to his ear and looking off to the side. He is standing in front of a blurred background that appears to be a transit station with yellow and grey structural elements. A large, white, stylized arrow points from the left side of the image towards the right, partially overlapping the man's jacket and the text area.

Industry Snapshot

Leaders are optimistic about the state of transit and prioritizing service expansion and ridership growth to meet anticipated demands within the next decade.

WHY WE CREATED THIS REPORT

- Identify Trends
- Monitor Headwinds
- Deep Dive Into Priorities



While the survey exposed how safety is an umbrella term covering a wide range of initiatives, analysis of response data underscores the paramount importance of safety within the transportation industry. For example, a 2017 report released by the [Department of Transportation \(DOT\)](#) further supports data and posits that attitudes towards safety may suggest an optimistic view on ridership growth and increased capital investment. Citing ridership figures that were the highest in nearly six decades, DOT states—

“Although transit is a relatively safe mode of travel, the statistical reality is that as transit ridership increases, data indicates that the total number of fatalities and serious accidents likely will also increase.”

As a result, the likelihood of increased incidents will further underscore the need for a broad spectrum of solutions within the to-be-further-defined bucket of safety*.

*The survey question did not define safety. It referred to safety as “Safety measures (i.e., operational and occupational)[.]”



Identify Trends and Monitor Headwinds

This market survey offers a collective view into the **goals** and **challenges** that are driving the transportation industry today. Specifically, the findings offer insight into what professionals rank as the top **priorities** today and over the next five years.



Current Priorities



Anticipated Priorities [Over 5 Years]

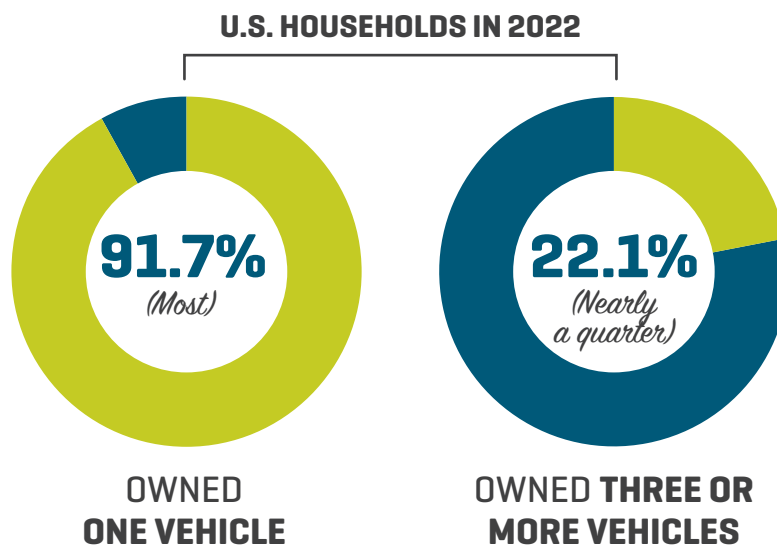


By keenly monitoring trends and establishing benchmarks, overtime ongoing facilitation of **KEOLIS REPORT: The State of Transit** will serve as a forecast for setting priorities and planning strategic initiatives. In 2024, traffic, ridership, and funding are top of mind for many leaders.



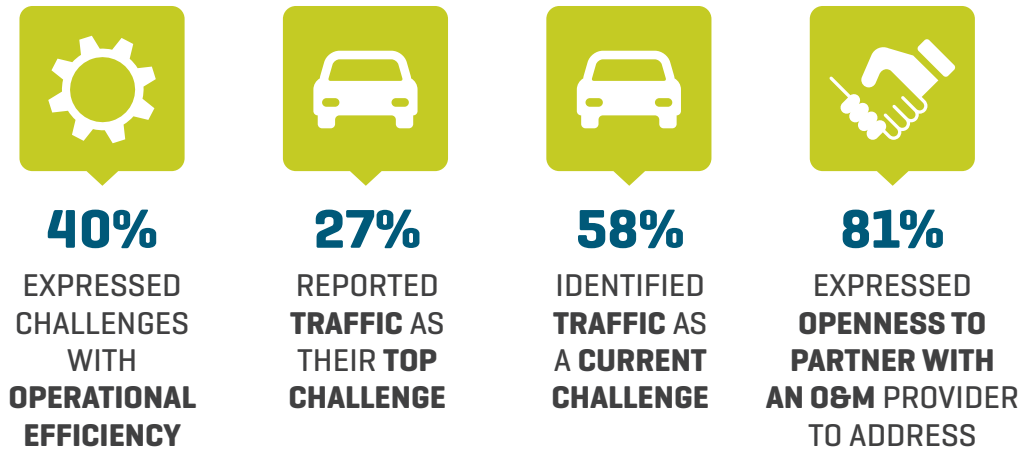
TRAFFIC CONTINUES TO IMPACT TRANSIT PERFORMANCE

Between 2018 and 2022, vehicle registrations **INCREASED BY 3.5 PERCENT**, indicating an upward trend in [car ownership \(Forbes, February 2024.\)](#)



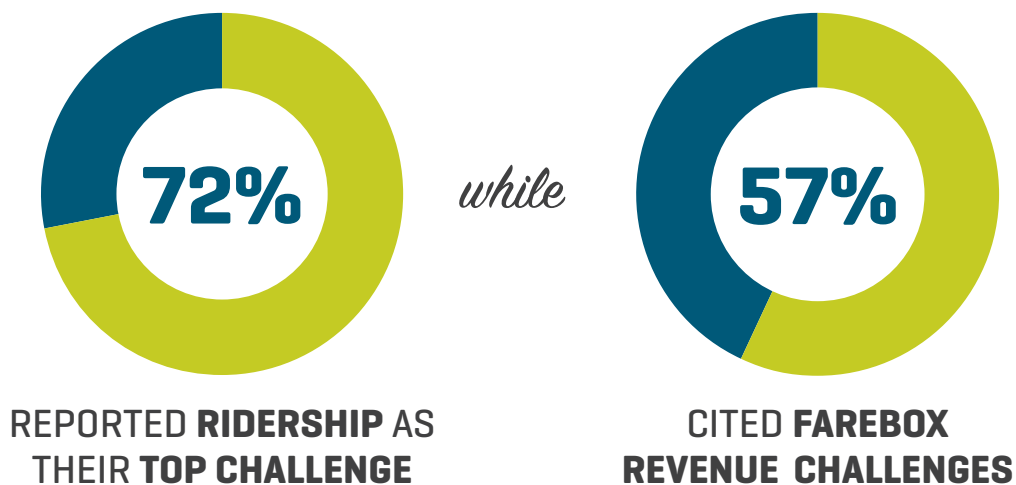
As populations grow and more SOVs enter the road, traffic remains a challenge on many fronts. While it may not be all that surprising that **40 PERCENT** of mid-to-senior leaders reported operational efficiency as a challenge, more than half of all respondents identified traffic as a current challenge and one that **81 PERCENT** felt an O&M provider would be ideal to address.





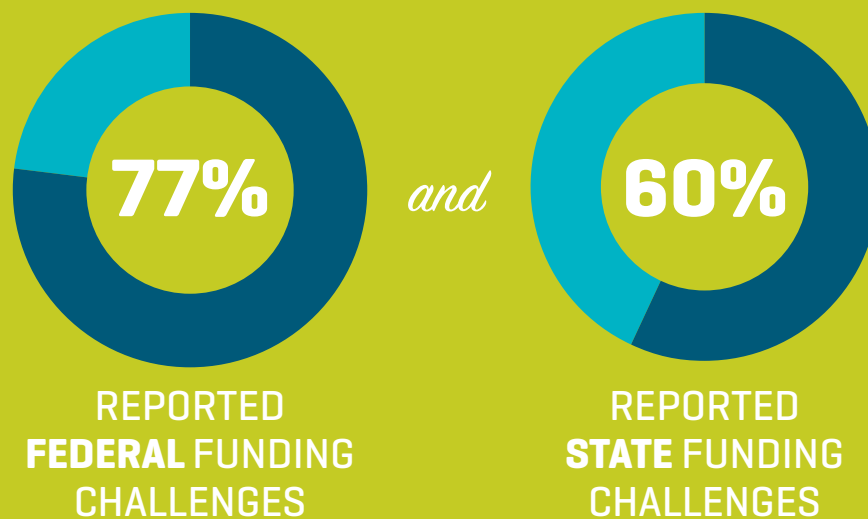
ENTICING NEW AND EXISTING RIDERS

A key factor in both traffic mitigation, maintaining revenues, and making a case for funding, findings with the ridership theme offer insights into potential solutions for immediate priorities.



A CASE FOR FUNDING

Past belt-tightening measures during transitional market conditions have resulted in what some have referred to as a “death spiral” that can take years and greater investment to remedy. Therefore, continuing to leverage fares and funding to maintain and, where possible, expand offerings helps retain ridership throughout market fluctuations. In fact, a **majority** report current challenges with federal and state funding.



While funding will remain a challenge for the foreseeable future, leveraging consumer demands, population projections, and the adaptability and sustainability of continued investment in public transit has benefits for future challenges related to ongoing mitigation of traffic of other environmental conditions and offer new options for energy transition initiatives.





A Deeper Dive Into Priority Buckets in 2024

Analysis of the data collected found that most priority initiatives within the industry can fit within **four buckets**.





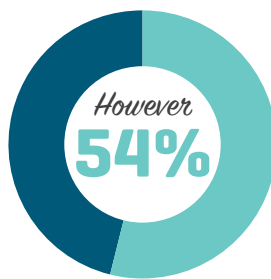
BROAD TRENDS IN SAFETY

One could argue that measurement and response to safety trends is ubiquitous with public transportation management. This was evident in survey results and testimonials on areas where operational and management providers can provide added value. In fact, safety is a bucket that refers to multiple aspects of managing a network from public and employee security to facilitating response to claims, and training to prevent future incidents—just to name a few.

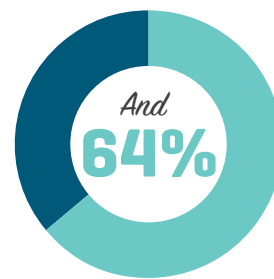
While safety remains inherent to the topline goals and day-to-day objectives at transportation agencies—



RANKED **SAFETY**
AMONG THEIR
TOP THREE
CURRENT
CHALLENGES



CITED **SAFETY**
AMONG
CURRENT
PRIORITY
INITIATIVES



ANTICIPATE
IMPROVING SAFETY
TO CONTINUE
TO EMERGE AS A
CHALLENGE **OVER THE**
NEXT FIVE YEARS



This further reflects transit being one of **the [safest modes of travel \(APTA\)](#)** and as a result, while respondents do not report it as a systemic issue for their networks, they anticipate continued need to reinforce this mindset among riders and the public at large.



Listed **operational/occupational safety** as a current challenge



Said safety improvements were a **current priority initiative**



Ranked safety among the **top three challenges** faced today



Forecasted that **efforts to improve safety challenges** will increase in five years

This supports the third key takeaway regarding a need to define safety by occupational safety, operational safety, rider security and risk management/assessment. Moving forward, this is an area that was flagged for further research in future reports.







ENERGY TRANSITION AND INNOVATION

An area which continues to be actively defined among industry leaders, energy transition ranked as a current priority for **66 PERCENT** and a quarter of total respondents cited it as a current challenge.

24%

Said **energy transition** is a current challenge

66%

Listed energy transition as a **current priority** initiative

13%

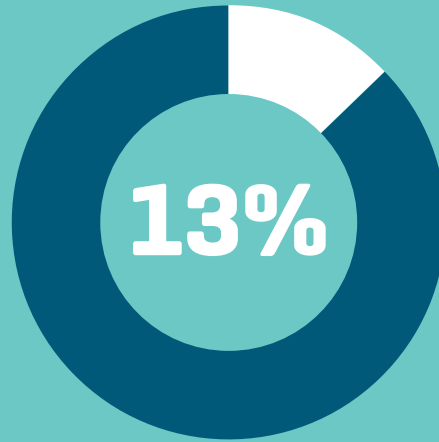
Ranked energy among **top three challenges** faced today

57%

Are currently implementing or planning to invest in **new technology**



Interestingly, the data revealed that while **energy transition** is a current challenge, only—

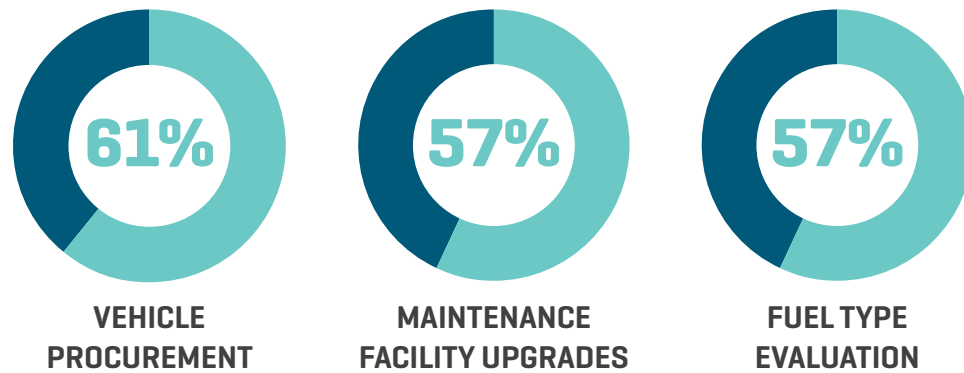


**RANKED ENERGY TRANSITION
AMONG THEIR TOP THREE CHALLENGES**

Which begs further questions about why this challenge does not rank higher compared to others despite its salience. One explanation could be the lag time between procurement and delivery from original equipment manufacturers (OEMs). Alternatively, the sheer complexity of executing the energy transition and difficulty of building the requisite infrastructure (e.g., training, parts, retrofitting depots, etc.) may present prior hurdles for leaders to clear before setting expectations.



Diving deeper within the data revealed significant challenges faced within energy transition initiatives including—



The above data citing challenges with vehicle procurement, acknowledges recent issues faced by OEMs who have struggled to keep up with demand, including [Proterra's exit from the market](#) following bankruptcy (*Green Biz*, January 2024.) For example, as [APTA reported](#) earlier this year, ongoing federal support is imperative to ensure continued adoption of clean energy vehicles.





As a new generation integrates with the workforce, expectations and interactions between employer and employee are shifting. To be an employer of choice requires more than leading in the industry. Strategic initiatives to boost recruitment and retention like career pathing and on-the-job training are essential when tackling this current challenge.

In fact, a majority [**65 PERCENT**] ranked labor relations as somewhat or extremely important when evaluating O&M competency and more than half [**55 PERCENT**] reported current initiatives in place within their organizations to address recruitment and training.

63%

Said labor relations is a **somewhat or extremely important** O&M competency

38%

Reported recruitment and retention are a **current** challenge

17%

Ranked recruitment and retention as a **top three current** challenge

55%

Said recruitment/training are **current** priority initiatives

25%

Cited retention as **current** priority initiatives

At the front line of public transportation, adapting to attract and foster talent will remain a key performance indicator (KPI).





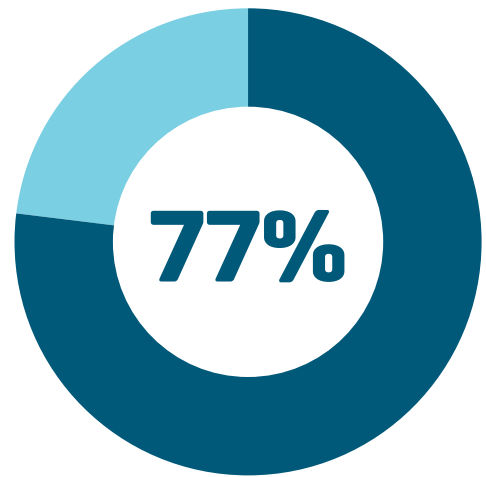
Real-Time Snapshot

Ridership remains a leading challenge and is key to future-proofing



REVISITING RIDERSHIP

Following lockdown initiatives during the global pandemic in 2020 and 2021, [Axios reported](#) in December 2023 that most transit networks have recovered more than three quarters of riders.



**RIDER RECOVERY
SINCE THE PANDEMIC**

In a post-pandemic world, the data further underscores the importance the industry places on ridership as the cornerstone of a healthy network. Transit is nothing without people, after all. Recently, Keolis presented a white paper outlining consumer trends and recommending tactics to [future-proof](#) transit against various externalities and to position mass transit as the first choice and preferred method for getting around. Despite funding or fare issues, maintaining (and investing in growth of) services that attract and satisfy passengers can future-proof a transit agency regardless of macro-economic pressures and better position leaders to maintain a dialogue about rapidly emerging issues like energy transition and mitigation of environmental conditions.



Beyond providing operational and maintenance services, Keolis can offer global insight and proven strategies to support ridership priority initiatives.

73% Felt O&M competency in **ridership growth** was very or extremely important

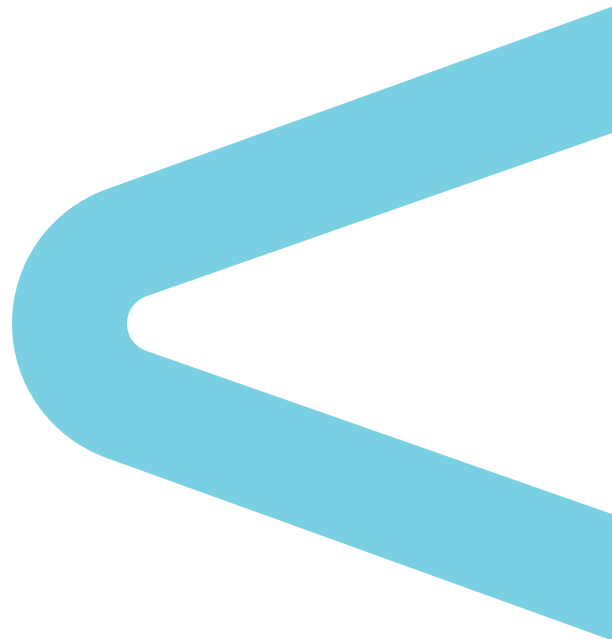
49% Reported somewhat or very likely to consider **revenue/ridership growth** proposals

10% Listed revenue and ridership growth as a **top three current challenge**

40% Ranked ridership growth as a **top priority** if no budget constraints were present

66% Of those who reported ridership as a top priority plan to **expand service areas**

64% Plan to expand **service windows** among that same priority group



Review the Data and Join the Discussion

As additional surveys return from the field, plans are in place to leverage data to set benchmarks, drill deeper into aspects of safety and forecast headwinds in areas of ridership, energy transition and environmental mitigation.

In the interest of boosting the industry, the team at Keolis is taking the unprecedented step to share the data in its entirety.

Why Participate?

Transit professionals have a sustaining need to understand the industry zeitgeist. Whether an agency is gearing up to expand and needs to buy new buses, there are others in the same position. Plus, acknowledging a shared industry outlook can instill the confidence to innovate and lean in on strategies that drive revenue and grow ridership. **In summary, the survey has found that transit leaders are optimistic about the future and growth of transit, but that various initiatives are hindered by a decline in revenues, project complexity, and performance.**

JOIN THE DISCUSSION.



Click here to opt-in for the next survey.



Respondent Characteristics



AGE (N=92)

21 to 24	0%
25 to 34	2%
35 to 44	20%
45 to 54	47%
55+	32%



REGION (N=92)

Northeast	18%
Midwest	14%
South	25%
West	42%



TRANSPORTATION MODE CURRENTLY OVERSEEN (N=92)

Bus	76%
Paratransit	51%
Microtransit/On-Demand	27%
Rail	24%
University Shuttle	12%
Airport Shuttle	8%
Corporate Shuttle	8%
Maritime Transportation	2%
Other	4%



JOB ROLE (N=92)

Executive Leaders (CEOs, VPs, Directors, etc.)	28%
General Manager	13%
Head of Government Affairs	1%
Head of Planning/Planning Manager	9%
Head of Operations/Operations Manager	17%
Head of Maintenance/Maintenance Manager	13%
Head of Communications/PIO	2%
Head of Procurement/Procurement Manager	12%
Other	4%



**ORGANIZATION SIZE (N=92)**

0 to 49 employees	26%
50 to 99 employees	14%
100 to 149 employees	10%
150 to 199 employees	7%
200 to 249 employees	7%
250 employees or more	36%
I don't know/ Prefer not to respond	1%

**YEARS OF EXPERIENCE (N=92)**

0 to 1 years	0%
2 to 5 years	14%
6 to 10 years	27%
11 to 15 years	20%
16 to 20 years	12%
21 years or more	27%

**PROCUREMENT DECISION MAKER (N=92)**

I am the primary decision maker	49%
I share the decision-making authority	33%
I participate by only giving input/feedback	14%
I participate indirectly	4%

**PASSENGERS SERVED PRIOR TO COVID (N=92)**

Less than 5 million	50%
5 million to less than 10 million	25%
10 million to less than 50 million	16%
50 million to less than 100 million	1%
100 million or more	8%

**ANNUAL BUDGET (N=92)**

\$0 to \$3,999,999	40%
\$4,000,000 to \$7,999,999	8%
\$8,000,000 to \$14,999,999	11%
\$15,000,000 to \$29,999,999	14%
\$30,000,000 to \$49,999,999	7%
\$50,000,000 or more	21%



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