THE STATEWIDE ECONOMIC VALUE OF SEPTA

Despite achieving its highest ridership levels in 23 years, SEPTA is confronted with a serious funding shortfall, especially for capital funding required to maintain and improve the system. In 2013, SEPTA hired Econsult Solutions, Inc. (ESI) and Economy League to reexamine SEPTA’s role in the Commonwealth’s economy and analyze the value of expanded Commonwealth investment in SEPTA.

For the purpose the analysis, ESI conducted five sets of analyses:

- The extent to which the five counties of southeastern Pennsylvania contribute to Pennsylvania’s transportation-related revenues, and are the beneficiary of transportation-related expenditures;
- The extent to which SEPTA has been a good steward of public funds;
- The extent to which the performance of SEPTA operations compares to Commonwealth agencies and industry peers;
- The economic and fiscal impacts of SEPTA on the five-county region and Commonwealth; and
- The possible long-term consequences of inadequate, status quo funding levels on the five-county region and Commonwealth.

ESI found that the economic value of the Southeastern Pennsylvania Transportation Authority (SEPTA) is significant, both in terms of direct jobs and taxes paid to the Commonwealth of Pennsylvania for all transit-related spending, and regarding its catalytic effect on the overall economic output of the region and Commonwealth. Key findings include:

- 40% of the state’s economic output stems from the five-county area and relies heavily on SEPTA service;
- 26,000 jobs in the Commonwealth continue to bring additional tax revenue of approximately $62.5 million to the Commonwealth of Pennsylvania annually; and
- SEPTA is generally underfunded and, despite punctual infusions of funds over the last seven years, has a significant backlog of capital needs preventing it from reaching a state of good repair (SGR).

PRESS COVERAGE

“Study Says SEPTA is Strapped”

“SEPTA provides more bang for the buck than other transit agencies in Pennsylvania and gets less than its share of state funding based on ridership, the study found. SEPTA also has a much smaller capital budget for such things as bridge repairs and new buses than other major transit systems in the United States, it said.

And it warned of dire consequences if more state money for capital projects is not forthcoming.

Wray and Voith cited SEPTA’s relatively paltry capital budget ($304 million this year compared to Washington’s $1 billion, NJ Transit’s $1.1 billion, Boston’s $800 million, and Chicago’s $950 million) as especially worrisome.”

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