

An aerial, top-down view of a city street intersection at night. The scene is illuminated by streetlights and building lights, creating a vibrant urban atmosphere. The streets are filled with cars, and the surrounding buildings are lit up, showing their architectural details. The text is overlaid in the center of the image.

Business Plan to Improve NYC's Paratransit System

By: Henry Barefoot

Executive Summary

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- Nationalizing NYC's paratransit system will improve it by reducing disabled New Yorkers' commute time, providing a more inclusive space for them, while stimulating the economy.

Company Description

New York City's Paratransit on average provides transportation for 639,265 disabled and elderly New Yorkers.

It was created in 1990 after the American with Disabilities Act was signed into law(EqualEntry.com).

NYC contracts private carrier companies as transport called "Access-A-Ride" (Wong).

Fare rates are equal to NYC's public transportation (Wong).

Objective Statement

- My main goals for the improvement of the "Access-A-Ride" are to:
 - Improve costumers' experience
 - Improve riders' commute times

Business Structure

- NYC should nationalize “Access-A-Ride”, meaning control of this system of transportation would transfer from multiple private firms to the government. NYC already does this for its buses and its world-famous subway.
- This gives drivers a set of social and professional standards they must adhere to as these designated drivers. This would reduce the harassment riders can face from drivers and make the overall transportation experience safer. This also gives drivers a government job which is more likely to have better benefits and job security compared to the private sector(Indeed.com).

Business Structure Continued

- In New York both the public bus and subway perform drastically better than the private Paratransit system in Average Successful Service, and the Percent of Customer Trip Completed within Schedule categories of satisfaction. This shows that public transportation is more efficient.
- NYC's Subway has a 94.1% average successful service rate, and 81.6% of its rides are completed within 5 minutes of their customer's schedule.
- NYC's Buses has a 97.1% successful service rate, and 71.6% of its rides are completed within 5 minutes of their customer's schedule.
- Paratransit has both the lowest successful service rate at 93.3% and 67% of rides completed within customer's schedule (MTA)

Transportation Effectiveness Table

Type of Transportation Systems	Successful Sercive	Completed with in Customer's Schedule
Busses	97.1%	71.6%
Subway	94.1%	81.6%
Paratransit	93.3%	67.0%

Source: MTA

Product and Services Description

Riders can currently schedule rides online at the Access-A-Ride website until 5 pm. I would work to give them more flexibility and set up a new ride calling system that is mobile and increase the window to request a ride.

One of the key parts of New York City's Paratransit System is that it provides transportation to people with disabilities at the same price as the other public transportation systems. It is important to maintaining this through the system's evolution.

Access-A-Ride's clientele is New York City's Elderly and Disabled.

Marketing Strategy

- This new Paratransit does not need any big marketing because transportation is essential, and its demand is inelastic (meaning there is only a small change in consumer demand with a change of price). This requires less marketing compared to a more elastic product like a sports car. It also does not have any competitors who are offering transportation for the disabled at its cheap price point.
- The best marketing strategy is emphasizing the projected increases in speed and efficiency.

Financial Analysis

I was able to estimate how much it would cost to provide an efficient Transportation System for disabled people comparing a budget for a Paratransit Company in Sacramento, California called Paratransit INC.

I found how many rides NYC Paratransit provided a year(639,265) then divided it by the amount of rides that Paratransit INC provides(405,000) and I got 1.578432. I then multiplied all the costs of the Sacramento Provider to get the estimated costs for NYC.

Costs Table

Sacramento Transit Cost	Cost(Dollars)	NYC Transit Cost	Cost (Dollars)
Transportation Operations	\$ 8,415,037	Transportation Operations	\$ 13,282,565
Administration	\$ 1,566,430	Administration	\$ 2,472,503
Training and Recruitment	\$ 1,302,039	Training and Recruitment	\$ 2,055,180
Benefits	\$ 5,286,927	Benefits	\$ 8,345,055
Fuel, Insurance and Parts	\$ 4,296,309	Fuel, Insurance and Parts	\$ 6,781,432
Non-Personnel Expenses	\$ 5,046,551	Non-Personnel Expenses	\$ 7,965,638
Total Expenses	\$ 25,913,293	Total Expenses	\$ 40,902,373

Revenue

- Because this transit system will be owned by the government most revenue will be collected from taxes, but with a Paratransit fare equal to NYC's bus fair (6.75) this can help offset the bill taxpayers will pay.
- Total revenue from fare is equal to the amount of that fare multiplied by the amount of annual number of rides (639,265)
- **$\$6.75 * 639,265 = \$4,314,978$**
- Subtracting this from the total cost from the previous table gives the amount taxpayers will pay= **$\$36,587,395$**

Revenue from Taxation

The tax increase for the Paratransit system should be on the principle of the ability to pay, meaning the taxes should be absorbed by people from high financial standing.

I would place a progressive income on the upper and middle tax brackets on New York City so it would be equal to the deficit created: \$36,587,395.

Financial Benefit Of a Paratransit

Government investment into services generates economic return.

For every **\$1** invested into public transportation **\$15** is created. (Apta.com)

This means the investment of \$40,902,373 would lead to **\$613,535,595** in economic returns.

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