

TAXICAB USAGE IN NEW YORK CITY POVERTY AREAS

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As part of an overall transportation study of the Central Brooklyn Model Cities area, the use of legal, semilegal, and illegal taxicabs was studied in some depth to determine the reasons for and the extent of usage of this form of public transportation. Although the area is extremely well served by other forms of public transportation, taxi usage is extremely high in this poverty area, and informal taxi systems, companies, and individual owners have filled the apparent need. Recommendations for legalizing and controlling this important industry were developed.

•TAXICABS are a unique form of public transportation. Their flexibility and convenience are comparable to the same qualities of private automobiles, although they are the most expensive mode of public surface transportation. Taxicabs are generally considered to be used most often by persons with high-paying jobs and by members of high-income households.

However, a large number of taxicabs are known to operate in the poverty areas of New York City. This fact, among others, prompted a detailed study of taxicab usage in central Brooklyn, which contains one of the worst and largest poverty areas in the nation.

HISTORY OF TAXICAB INDUSTRY IN NEW YORK CITY

Any discussion of taxicabs in New York City requires some understanding of the history of the taxicab industry. The industry can be broken down into two groups; medallion and nonmedallion taxicabs.

Medallion taxicabs are licensed to operate on city streets by a law enacted in 1937. Since 1937, the number of such cabs has actually declined slightly, although population and economic expansion of the city has certainly increased the demand. This situation is well illustrated by the fact that the value of a medallion license has increased from the original \$10 to the present level of \$20,000. Medallion taxicabs are owned by individuals who drive their own cabs or by companies that hire drivers to operate the cabs. Operating rules and fare rates are set and regulated by city law. Because the medallion cabs secure passengers almost exclusively by street hails, they are essentially attracted to shopping and business areas with heavy pedestrian traffic. A trip study of these cabs shows that 3 out of every 4 trips begin or end in Manhattan.

It has been widely reported that outlying residential areas of the city, especially poverty areas, lack medallion taxicab service, mainly because drivers avoid low-income neighborhoods for fear of robbery or lack of business or both. Because of these unfilled needs, there are reported to be several thousand nonmedallion taxicabs operating in the poverty areas of the city where the shortage of medallion taxicabs is most critical. Because they are not city licensed and because some proportion of them operate illegally, exact numbers are impossible to determine. Nonmedallion taxicabs, sometimes called "livery cars" or "gypsy cabs," are licensed by the state of New York as vehicles for hire. They are allowed to pick up passengers only by telephone call or

prearrangement. Because they are not allowed to accept street hails, they are usually equipped with 2-way radios. A potential customer calls a central dispatching office, and the call is relayed to an available cab.

No regulatory supervision of this industry exists, and fare rates vary widely. In recent years, an increasing number of nonmedallion taxicabs have been reported as accepting street hails in direct conflict with medallion taxicabs and the law. The conflict between these 2 groups of taxicab drivers and owners sometimes takes on a racial tone because nonmedallion taxicabs principally serve areas populated by low-income persons and are largely owned and driven by members of minority groups; this is not true of medallion taxicabs.

Several reasons can be given to explain the large participation of minority groups in the nonmedallion industry.

1. Driving taxicabs does not require any special skills or much training.
2. Driving taxicabs provides better income for unskilled workers than do other jobs.
3. To own a nonmedallion taxicab, one is required only to secure a state motor vehicle registration and to pay a \$100-a-year city tax. On the other hand, a medallion taxicab requires an initial investment of more than \$20,000.

STUDY AREA

The study area (Central Brooklyn Model Cities area) shown in Figure 1 encompasses approximately 5.1 square miles and a population of about 400,000. The composition of the population is 78 percent black, 19 percent Spanish-speaking, and 3 percent others. The average household income of the area is \$5,300 annually, and 40 percent of the households are poverty households with an annual income of less than \$4,000. The average unemployment rate was about 14 percent of the labor force in 1969 (it is probably a good deal higher at this writing), and average car ownership is 0.29 car per household.

SCOPE OF THE STUDY

The objective of the study was to measure the importance of taxicabs to poverty area residents not only as means of mobility but also as an economic asset of the poverty-stricken community. Efforts were also made to find any possible effects of a dual taxicab service on the residents' trip and user characteristics. Both groups of taxicabs were studied separately to measure the extent of usage and the quality of service of each group. A study of nonmedallion taxicabs, including their distribution, drivers, fare structures, and ownership, was made to determine their social and economic roles in the neighborhood. Opinions of the residents were gathered through home interviews in which data were gathered on the frequency of taxi trips, trip purposes, and the trip-maker's evaluation of the service.

MAJOR FINDINGS AND CONCLUSIONS

Travel Characteristics

Taxi trips constitute about 3.5 percent of the total trips made, excluding walking trips. Eighty-five percent of taxi trips are made by nonmedallion taxicabs. A total of 17,000 residents use taxis every day.

The average cost per trip (for trips of equal length) is slightly higher for nonmedallion trips than for medallion trips. Thus, poverty area residents pay more for taxi service than do other New York City residents.

The average taxi trip length in the CBMC area is shorter than the taxi trip length in the entire tri-state region, an area including northern New Jersey, New York City and surrounding counties, and southern Connecticut. One out of every 3 trips is made within the community.

The purposes of taxi trips by CBMC area residents are somewhat different from those for the entire tri-state region, as shown in Figure 2. Work trips by taxicab are very few in the study area compared to the numbers for the tri-state region. This is

probably because the CBMC area residents cannot afford taxi trips regularly. They ride taxicabs only for special occasions such as medical, recreational, and shopping trips.

Trips by taxicabs are made most often during nonrush hours, when other public transit service is infrequent. It appears that taxicabs substitute to a certain degree for other public transportation, which is composed of buses and subways.

User Characteristics

Households with an annual income of \$4,000 or less constitute 20.0 percent of the households in the tri-state region, and their share of taxi trips amounts to about 8 percent. On the other hand, households with an annual income of \$4,000 or less constitute 39.7 percent in the CBMC area, but their share of taxi trips is 43.5 percent. It appears that low-income households in the CBMC area depend more on taxicabs (Fig. 3). By doing so, they must sacrifice other essential needs.

Persons working in unskilled jobs constitute 14.0 percent of the labor force in the tri-state region, and their share of taxi trips amounts to 9.0 percent. Persons with unskilled jobs constitute 47.6 percent of the labor force in the CBMC area, but their share of taxi trips is about 50.9 percent (Fig. 4).

Seventy-two percent of taxicab riders in the CBMC area are members of households without automobiles; 71 percent of households do not own automobiles. It appears that members of households without automobiles rely heavily on taxicabs for essential or emergency trip purposes. A heavy reliance on taxicabs by households with a low car ownership is clearly shown in Figure 5.

Economic Aspects

There are a total of 1,500 taxicabs registered in the CBMC area, 1,300 of which are nonmedallion taxicabs. Therefore, they constitute a significant investment by the CBMC community.

The taxi industry provides about 3 percent of the total employment of the CBMC area labor force. It can be considered a significant contribution in job supply to the unskilled labor force in the CBMC area, where unemployment among unskilled persons is approximately 30 percent.

Ninety-six percent of taxi drivers are heads of households. The annual income of households whose heads are taxi drivers is \$6,800, compares to the \$5,300 for all households in the CBMC area.

Home ownership among taxi drivers is 15 percent, compared with 13 percent for the entire CBMC area.

RECOMMENDATIONS

The essentials of the recommendations are as follows:

1. Integrate both groups of taxis to provide a better climate for development of the nonmedallion industry because it is important not only as a means of mobility but also as a provider of economic opportunity to the residents;
2. Allow group riding to reduce the cost per rider, especially in view of the extensive use made of taxicabs by low-income families; and
3. Allow nonmedallion taxis to operate in the same way as medallion cabs in the CBMC area because residents of the CBMC area should be entitled to the same quality and types of taxi service as other New York City residents.

Though there are some deficiencies in the transit (subway and bus) system in the CBMC area, the overall accessibility to transit in the area can be considered satisfactory. Therefore, it is concluded that a transportation mode as flexible as taxicabs should supplement the fixed-route transit system in areas like the CBMC area, where automobile ownership is low. Fixed-route transit cannot satisfy all the demand in an area like the CBMC area, no matter how comprehensive such a system may be. But, because taxis are expensive, some other form of transportation, which is as flexible as the

Figure 1. CBMC area in New York City.

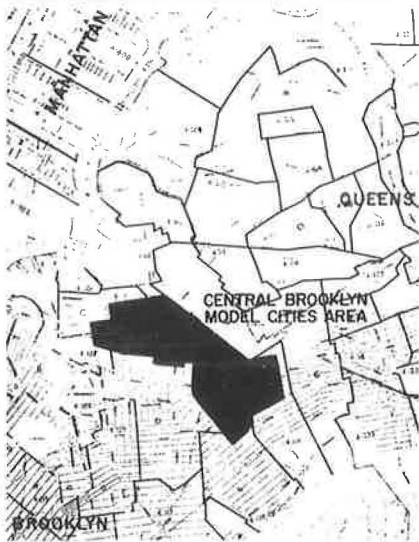


Figure 2. Taxi trip purpose at destination.

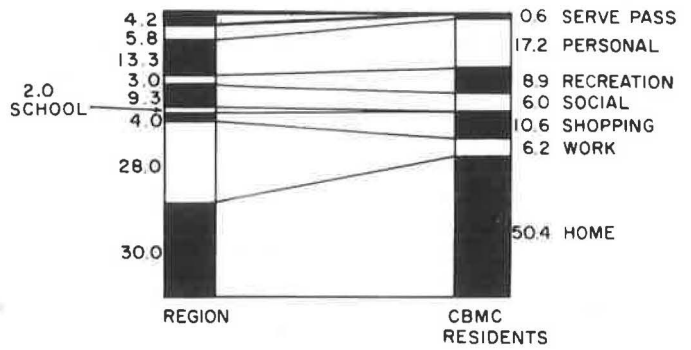


Figure 3. Taxi user's household income and total household income.

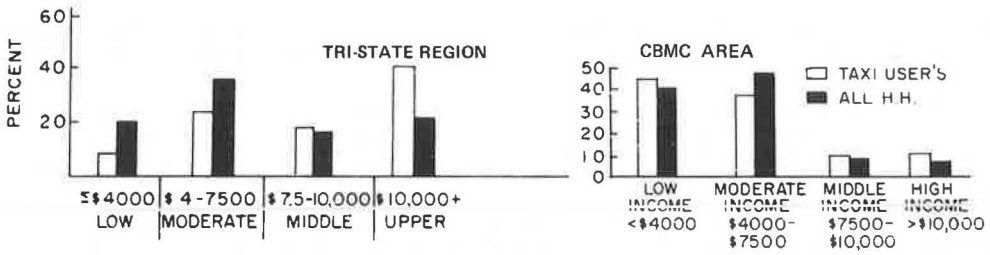


Figure 4. Jobs of taxi users and labor force distribution.

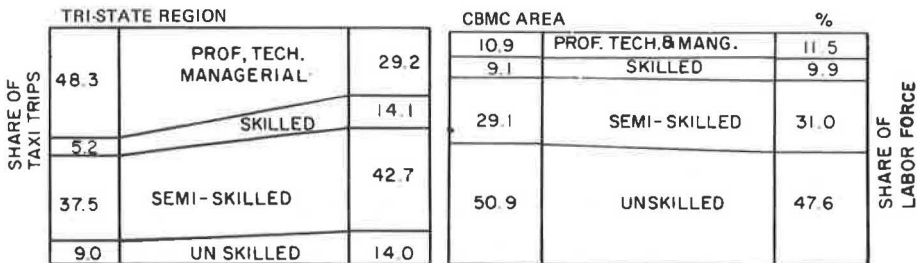
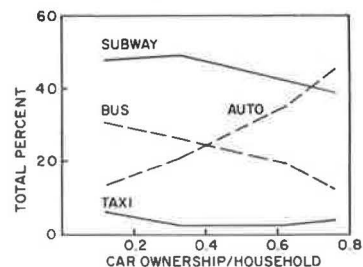


Figure 5. Mode of trip versus car ownership in CBMC area.



taxi, but much more economical, appears necessary in these areas. Dial-a-bus, jitneys, or similar services may meet these requirements.

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