



The Cost of Living in New York City: Transportation

Highlights

- Between 2012-2013 and 2022-2023, transportation costs in the New York City metropolitan area rose by less than in the Los Angeles, Miami and San Francisco metropolitan areas.
- Fueled by inflation, transportation prices in the New York City metropolitan area rose by over 1.5 times as much as overall prices between 2019 and 2023, growing by almost 25 percent. Since then, prices have come down.
- Transportation costs in the New York City metropolitan area averaged 10 percent of income in 2012-2013, slightly less than in 2022-2023.
- Lower-income households in New York City are more likely to face transportation cost burden, meaning that future fare increases will hit them hardest. In 2022, nearly 48 percent of households earning less than \$51,000 in the City relied on public transportation compared to less than 38 percent for wealthier households.
- In 2023, 82.6 percent of households in Staten Island owned at least one vehicle, more than any other borough. A greater reliance on cars suggests a relatively high transportation cost burden there.
- Vehicle purchases were the leading contributor to transportation costs in the New York City metropolitan area in 2022-2023, making up nearly 35 percent. Prior to the pandemic, other vehicle expenses pertaining to maintenance and insurance were the leading contributor.

Nationally, transportation made up the second largest cost at almost 17 percent of overall household spending for the average household, or about \$12,700, in 2022-2023. In the New York City metropolitan area, transportation made up only 14 percent of overall household spending. One reason for the geographic difference is that the area's cost of housing well surpassed the nation's, reducing the cost share of all other components, including transportation. Another reason is the lesser likelihood of vehicle ownership in the City, the most significant source of transportation costs nationally.

Transportation costs in the New York City metropolitan area rose by about 56 percent between 2012-2013 and 2022-2023, more than nationally at 41.5 percent. The increase was driven, in part, by the COVID-19 pandemic, as more residents chose to drive their own vehicle than use public transit. The cost of purchasing a vehicle rose significantly, as demand for a limited supply rose, though prices of used vehicles, in particular, have since declined.

As more residents have returned to the City, transportation dollars spent on public transit have increased. While transit fares remained the same during the pandemic, and incomes rose, many low-income households, as well as higher-income ones, still face a financial burden of transit costs amid inflation. The existence of an affordable and extensive public transit system that operates 24 hours a day, seven days a week remains a key factor in local cost of living. Residents, as well as advocates and elected officials, need public transit to remain affordable for this reason. City and State officials should continue to monitor all components of transportation costs in order to implement equitable policy.

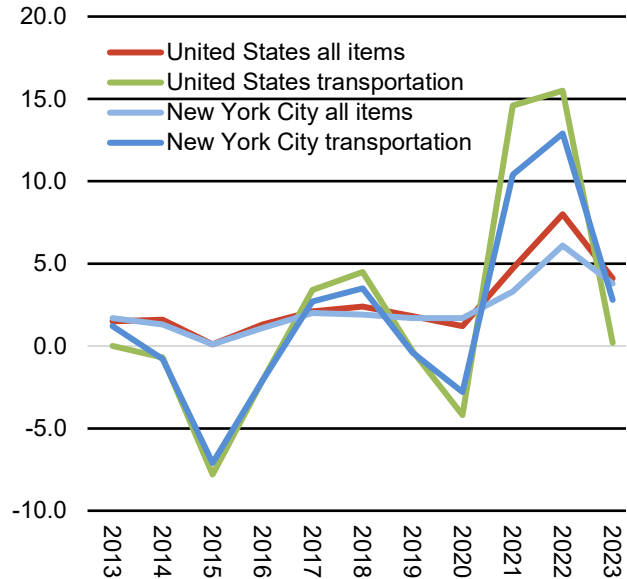
Transportation Cost Growth in NYC Metro Less Than Elsewhere

In 2022-2023, transportation costs—which include vehicle purchases, gasoline, insurance and other vehicle expenses and public and other transportation—comprised the second largest category of household spending (behind housing) both nationally and in the New York City metropolitan area. The metropolitan area’s lower transportation share compared to the nation’s stands in contrast to its much higher housing cost share (roughly 40 percent compared to less than 34 percent in the nation; see the Office of the State Comptroller’s [housing cost of living report](#)).¹

However, while transportation’s share of overall household expenditures is relatively low, costs have grown. In the New York City metropolitan area, transportation costs grew by almost 56 percent between 2012-2013 and 2022-2023 (see Figure 1).

Part of the reason for rising transportation costs during the pandemic, in particular, was inflation. In fact, transportation prices in the New York City metropolitan area declined prior to the pandemic

FIGURE 2
Annual Percent Change in All Items and Transportation Prices by Geography



Sources: U.S. Bureau of Labor Statistics, Consumer Price Index; OSC analysis

but rose by over 1.5 times as much as overall prices between 2019 and 2023, on par with the difference nationally, growing by nearly 25 percent (see Figure 2).² In March 2022, the Federal Reserve began raising the federal funds rate from near zero to a range of 5.25 percent to

FIGURE 1
Average Transportation Expenditures by Select Metropolitan Area and United States

	2012-2013	2018-2019	2022-2023	Percent Change, 2012-2013 to 2018-2019	Percent Change, 2018-2019 to 2022-2023	Percent Change, 2012-2013 to 2022-2023
Chicago	\$9,026	\$9,084	\$10,741	0.6%	18.2%	19.0%
Dallas	\$10,196	\$10,472	\$12,294	2.7%	17.4%	20.6%
Houston	\$12,560	\$12,352	\$16,159	-1.7%	30.8%	28.7%
Los Angeles	\$8,599	\$10,959	\$14,173	27.4%	29.3%	64.8%
Miami	\$6,573	\$10,915	\$14,424	66.1%	32.1%	119.4%
New York	\$8,235	\$9,255	\$12,836	12.4%	38.7%	55.9%
Philadelphia	\$8,595	\$11,136	\$12,041	29.6%	8.1%	40.1%
San Diego	\$9,502	\$11,704	\$14,311	23.2%	22.3%	50.6%
San Francisco	\$9,675	\$11,103	\$15,929	14.8%	43.5%	64.6%
Seattle	\$9,975	\$11,506	\$13,353	15.3%	16.1%	33.9%
United States	\$9,001	\$10,252	\$12,735	13.9%	24.2%	41.5%

Sources: U.S. Bureau of Labor Statistics, Consumer Expenditure Survey; OSC analysis

5.5 percent in July 2023, contributing to elevated auto loan terms that have weighed on overall transportation prices. In September 2024, the Federal Reserve cut rates for the first time since 2022, to 5 percent.

While sizeable, the transportation cost growth in the New York City metropolitan area was smaller than in other large areas such as the Los Angeles, Miami and San Francisco metropolitan areas.

Income and Transport Type Lower Cost Burden in NYC Metro

Along with transportation costs, many large areas also saw incomes grow during the pandemic with unprecedented federal stimulus and a rebounding economy. As a share of income, transportation costs in the New York City metropolitan area averaged 10 percent in 2012-2013 (see Figure 3). By 2022-2023, transportation’s share of income had not changed much while incomes grew. Between 2012-2013 and 2022-2023, income before taxes in the New York City metropolitan area rose by almost 52 percent compared to only 11 percent in Houston, which saw the smallest growth rate among select metropolitan areas.

Over the 10-year period, the average household across the New York City metropolitan area avoided what is known as transportation cost burden, or spending more than 15 percent of income on related costs. However, the average household in the Houston metropolitan area faced transportation cost burden at 15.8 percent in 2012-2013. By 2022-2023, the area faced greater transportation cost burden due, in part, to relatively weak income growth.

While the transportation share of income for the average household in the New York City metropolitan area was lower than elsewhere, lower-income households in New York City are more likely to face transportation cost burdens. In 2022, nearly 48 percent of households earning less than \$51,000 in the City relied on public transportation (bus, subway or elevated rail) compared to less than 38 percent for all other households in the City.³

In 2024, the Community Service Society found that 20 percent of New Yorkers were dealing with transit affordability hardship.⁴ The report found that while low-income households struggled more, moderate- and higher-income households also faced an increasing financial burden of

FIGURE 3
Average Transportation Cost Burden by Select Metropolitan Area and United States

Geography	2012-2013	2018-2019	2022-2023	Difference, 2012-2013 to 2018-2019	Difference, 2018-2019 to 2022-2023	Difference, 2012-2013 to 2022-2023
Chicago	12.0%	10.5%	9.7%	-1.6%	-0.8%	-2.4%
Dallas	14.0%	11.7%	10.9%	-2.3%	-0.8%	-3.1%
Houston	15.8%	12.8%	18.2%	-3.0%	5.4%	2.4%
Los Angeles	12.1%	12.2%	11.4%	0.0%	-0.8%	-0.7%
Miami	11.7%	14.8%	15.6%	3.1%	0.8%	3.9%
New York	10.2%	9.0%	10.5%	-1.2%	1.5%	0.3%
Philadelphia	12.3%	11.3%	10.1%	-0.9%	-1.3%	-2.2%
San Diego	12.3%	12.0%	11.7%	-0.4%	-0.3%	-0.7%
San Francisco	10.4%	8.0%	10.3%	-2.4%	2.2%	-0.1%
Seattle	12.5%	10.0%	10.1%	-2.5%	0.1%	-2.4%
United States	13.9%	12.7%	13.0%	-1.2%	0.3%	-0.9%

Note: Transportation cost burden refers to transportation costs divided by income before taxes for the average household. Sources: U.S. Bureau of Labor Statistics, Consumer Expenditure Survey; OSC analysis

transit costs, making the case for an expansion of the Fair Fares NYC program, which provides discounted MTA service for qualified low-income residents. Until recently, the program catered to City residents living at or below 120 percent of the federal poverty line, but the threshold was expanded in the City's fiscal year 2025 budget to 145 percent.⁵ Over 348,000 New Yorkers are currently enrolled in the program.⁶

In addition to income, transportation cost burden is reflective of the type of transportation used in a locale and its contribution to related costs. Less than half of New York City households, or 43.8 percent, owned at least one vehicle in 2023. Nationally, it was 91.6 percent, or more than twice the citywide rate. According to the American Public Transportation Association, 93 percent of the average household's spending on transportation goes to buying, maintaining and operating cars, providing an explanation for the increase in transportation costs nationally during the pandemic and highlighting the importance of robust public transportation for maintaining affordable transportation costs.⁷

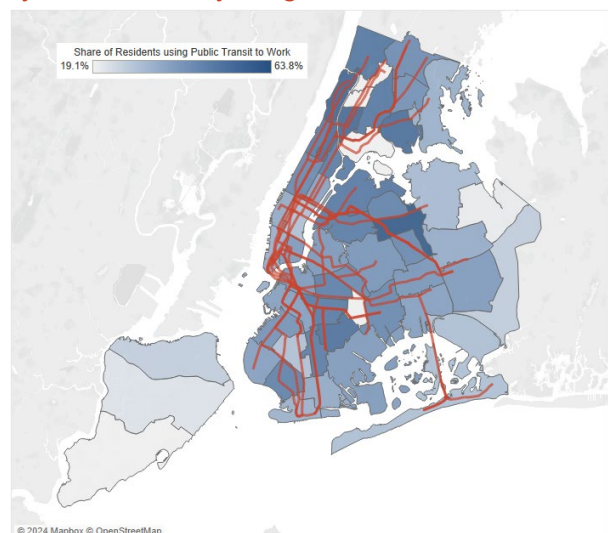
Within the City, only about 21 percent of Manhattan (New York County) households owned at least one vehicle. On Staten Island (Richmond County), however, 82.6 percent of households owned a vehicle, followed by Queens at 61.4 percent. Some neighborhoods within the borough have limited transit options, which have been discussed in legislative sessions as a reason to expand express bus services for eastern Queens residents in particular (see Figure 4 for an overview of subway lines across the City).⁸

While New York City's public transit system operates 24 hours a day, seven days a week, access to transportation for jobs and health care, among other things, is generally a greater challenge for residents in the outer boroughs than in Manhattan. A greater reliance on cars on Staten Island and in Queens suggests relatively high transportation cost burdens there.

In 2023, 48 percent of New York City households relied on public transportation for work, more than any other category of transportation. Nationally, only 3.5 percent relied on the relatively cost-effective public transportation (transportation cost components detailed in next section).⁹

Among the City's households without any vehicles, more than half (62.6 percent) used public transportation to get to work, about 15 percent worked from home and another 12 percent walked, significantly cutting down their transportation costs. Nearly 5 percent of those households also used taxicabs, motorcycles or bicycles to get to work.

FIGURE 4
Access to Subway Lines and Usage for Work by New York City Neighborhood



Note: Does not include the Staten Island railway.
Sources: Metropolitan Transportation Authority, City Subway Lines, NYC OpenData, 2023; U.S. Census Bureau, American Community Survey, 2022; OSC analysis

The type of transportation used also changed over time, contributing to the transportation cost changes in the New York City metropolitan area. Between 2013 and 2023, the share of households that used public transportation for work declined in every borough, with Brooklyn (Kings County) seeing the largest drop of more than 10 points from nearly 52 percent. At the same time, the share that used taxicabs, motorcycles or bicycles

rose in every borough except Manhattan. The share of City households that worked from home saw an even bigger increase as fully remote work emerged during the pandemic, with Manhattan and Brooklyn seeing the largest increases citywide.

Sources of Transportation Cost Growth

Transportation costs are the sum of vehicle purchases (e.g., new and used cars and trucks), gasoline (also includes diesel fuel, motor oil and electric vehicle charging), other vehicle expenses (e.g., maintenance, insurance, rentals and leases, parking and tolls) and public and other transportation (e.g., airline, mass transit and taxi). Vehicle purchases were the leading contributor to transportation costs in the New York City metropolitan area in 2022-2023, making up nearly 35 percent (nationally it was about 39 percent). Prior to the pandemic, other vehicle expenses pertaining to maintenance and insurance were the leading contributor to transportation costs in the area.

Vehicle purchases rose in prominence during the pandemic between 2018-2019 and 2022-2023, growing by over 101 percent to reach \$4,469, on average, per household (see Figure 5). Within vehicle purchases, both new and used vehicle purchases rose over the 10-year period, but used vehicle purchases significantly overshadowed new vehicle purchases. Consumers may have preferred used vehicles to new vehicles because of cost and/or availability, as new vehicle

production was stalled at the beginning of the pandemic amid shuttered factories and a dearth of supply of semiconductor chips.¹⁰

The preference for used cars at the time also meant higher prices for them. Prior to the pandemic, used car and truck prices rose by 1 percent nationally between 2018 and 2019.¹¹ In 2021, prices rose by almost 27 percent in the New York City metropolitan area and nationally. Used car and truck prices continued to rise through 2022 but have since fallen on an annual basis as auto production returns to pre-pandemic levels.

Car registrations data support overall vehicle purchase trends. During the first year of the pandemic, people shied away from public transportation for fear of sharing enclosed spaces with others due to the coronavirus and worked from home and/or used other types of transportation.¹² This fear led some New Yorkers to purchase vehicles. In June and July 2020, the New York State Department of Motor Vehicles processed 18 percent more car registrations than the year before.¹³ As a result, the number of households with vehicles rose, and even more so in New York City. Between 2019 and 2021, the share of households with at least one vehicle increased slightly from 91.4 percent to 92 percent nationwide while rising from 44.6 percent to 46.1 percent in the City.¹⁴

Following vehicle purchases and other vehicle expenses, public transportation costs made up the third-largest portion of overall transportation

FIGURE 5
Average Transportation Costs in the New York City Metropolitan Area by Component

	2012-2013	2018-2019	2022-2023	Percent Change, 2012-2013 to 2018-2019	Percent Change, 2018-2019 to 2022-2023	Percent Change, 2012-2013 to 2022-2023
Vehicle purchase	\$ 2,067	\$ 2,219	\$ 4,469	7.4%	101.4%	116.2%
Gasoline	\$ 2,180	\$ 1,521	\$ 1,966	-30.2%	29.3%	-9.8%
Other vehicle expenses	\$ 2,811	\$ 3,641	\$ 3,984	29.5%	9.4%	41.7%
Public and other transportation	\$ 1,177	\$ 1,874	\$ 2,412	59.2%	28.7%	104.9%

Sources: U.S. Bureau of Labor Statistics, Consumer Expenditures Survey; OSC analysis

costs at nearly 19 percent. Public transportation costs in the New York City metropolitan area fell by 16 percent between 2018-2019 and 2021-2022, partly driven by changes in commuting patterns. However, they grew significantly the following year to reach \$2,412, nearly 105 percent greater than in 2012-2013.

The higher public transportation costs locally have to do, in part, with fare increases before the pandemic and in 2023. Since 2009, the Metropolitan Transportation Authority (MTA) has raised fare revenue yields every other year except for 2021, when an increase was canceled during the pandemic. Over the last decade, the MTA raised its base fare two times, in 2013 from \$2.25 to \$2.50 and in 2015 from \$2.50 to \$2.75. It also raised unlimited ride MetroCard and other fares in 2017 and 2019. In 2023, the MTA raised the base fare for the first time in eight years to \$2.90.

While the Governor recently paused the congestion pricing program meant to generate \$15 billion to fund critical infrastructure upgrades, the MTA has not signaled that additional fare hikes are being considered this year. The next increase in fares is expected in 2025 as ridership continues to recover to pre-pandemic levels. As of the end of September 2024, total ridership (subway and commuter rail) was 68 percent of pre-pandemic levels, averaging over 4.1 million daily weekday trips that month.¹⁵ Another increase in fares is assumed in the MTA budget in 2027.

Following public transportation costs, gasoline costs made up the smallest portion of overall transportation costs. As car ownership rose, gasoline costs in the area rose by over 29 percent between 2018-2019 and 2022-2023, less than in the Chicago, Houston, San Diego and San Francisco metropolitan areas. While local gasoline costs are lower than at the beginning of the 10-year period, geopolitical conflict poses a risk.

Outlook

Transportation costs in the New York City metropolitan area grew less than in other large metropolitan areas between 2012-2013 and 2022-2023, keeping one aspect of the overall cost of living more affordable. As transit ridership numbers have crept closer to pre-pandemic levels, commuters and travelers realize that parking a car in the City may be difficult or costly and that riding public transit still costs less than owning a car. Still, the public transit system faces challenges. The MTA's most recent customer satisfaction survey found that subway satisfaction dropped to 47 percent from 52 percent in the fall of 2023. While public safety remains a concern, and fares are slightly higher than before the pandemic, customers found the cleanliness onboard, related to homelessness, to be a larger concern.

Transportation costs do remain elevated for some households, particularly as they struggle to afford other high-cost items, such as housing. The City should continue to monitor mobility trends, the expansion of the Fair Fares program, the introduction of year-round full week student MetroCards and the costs of living, to inform future policy choices. Those choices include the MTA and the New York City Department of Transportation's improvement and expansion projects. It also remains critical to maintain MTA service at affordable levels, so that transportation costs remain relatively affordable and offset housing costs, especially for lower- and moderate-income households.

ENDNOTES

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- ⁸ State Senator John C. Liu, "Legislators Call on MTA to Expand Express Bus Service in Queens," The New York State Senate, May 16, 2024, <https://www.nysenate.gov/newsroom/press-releases/2024/john-c-liu/legislators-call-mta-expand-express-bus-service-queens>.
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- ¹³ Foster Kamer, "The Great Gotham Vroom Boom of 2020," *The New York Times*, August 12, 2020, <https://www.nytimes.com/2020/08/12/style/car-buying-new-york-coronavirus.html>.
- ¹⁴ U.S. Census Bureau, American Community Survey, 1-year Estimates Data Profiles.
- ¹⁵ Metropolitan Transportation Authority, Subway ridership data.

Prepared by the Office of the State Deputy Comptroller for the City of New York

Anita Yadavalli, Senior Economist and Director, Bureau of Tax and Economic Analysis
Wen Xi Wong, Principal Municipal Financial Analyst
Leonard Liberto, Chief Municipal Financial Analyst

Office of the New York State Comptroller
110 State Street, Albany, NY 12236
(518) 474-4044 www.osc.state.ny.us

