

MOBILITY NEWSLETTER

**Research & reporting from California, the U.S.,
and around the world**

July 18th, 2023



The labor shortage in transit:

Unpacking the labor shortage and exploring impacts on the transit industry across the globe



Since the Covid-19 crisis, the impact of the labor shortage continues to reverberate across the world.

Some **headlines** from the post Covid-19* era:



In April 2023, in the **Netherlands**, the National Rail (NS) faced a shortage of train conductors. To support the current conductors, the railway onboarded 250 of its own office employees willing to work twice monthly for a year as 'departure assistants.' Although they aren't authorized to check tickets, they can answer passenger questions and facilitate faster boarding. This follows large service cuts last year due to lack of staff. ²



Since March 2023, bus drivers in British Colombia (**Canada**) have been striking for fair wages, improved working conditions, and a 32% pay increase to bring them in line with what other drivers are paid elsewhere in Metro Vancouver's transit system. More than 200 bus drivers began a full-scale strike, after negotiations between their union and employer First Transit, contracted by B.C. Transit, broke down a few weeks back. ³



An April 2023 report from Boston's MBTA describes a bus driver shortage with 1 in 5 of the T's budgeted bus operator positions currently vacant. This follows suit with the rest of the **United States** where APTA reports 96% of 190 surveyed agencies are experiencing a workforce shortage. ⁴

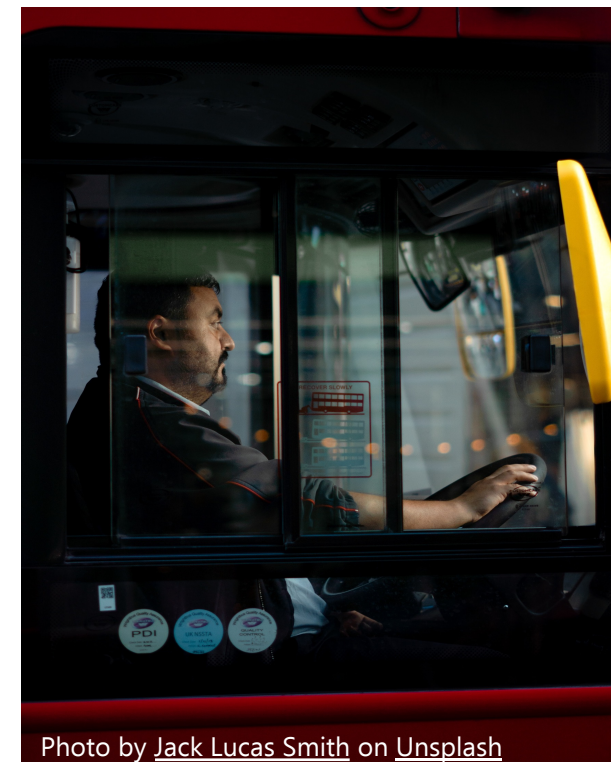


Photo by [Jack Lucas Smith](#) on [Unsplash](#)

Sources: 2: [NS Staff Shortage: hundreds of extra employees will be on trains to relieve workload of conductors \(nltimes.nl\)](#)

3: [Fraser Valley bus drivers strike over wages \(cbc.ca\)](#)

4: [MBTA's Bus Driver Shortage Is \(Still\) Getting Worse \(streetsblog.org\)](#)

Labor shortages are often sparked by a crisis. Overlapping crises exacerbate shortages further.

Multiple, overlapping and compound crises can induce a downward spiral and impact worker shortages across sectors on a global scale. The **downward spiral** (see left) occurs when a crisis triggers a series of negative consequences (i.e., transit workers quit so an agency must cut service), which escalate and perpetuate the downward trajectory, impacting overall operations. Examples of ongoing global crises include climate change, financial instability, and the energy crisis. These examples can induce or further exacerbate the downward spiral. See Figure 1 for more information. As a result of the Covid-19 crisis, a record-breaking number of blue-collar and white-collar workers quit and changed their jobs. Most employees who quit their jobs reportedly did not return to the same industry they left.¹

The inequality labor loss risk from future urban warming and adaptation strategies

Global labour market to deteriorate further as Ukraine conflict and other crises continue

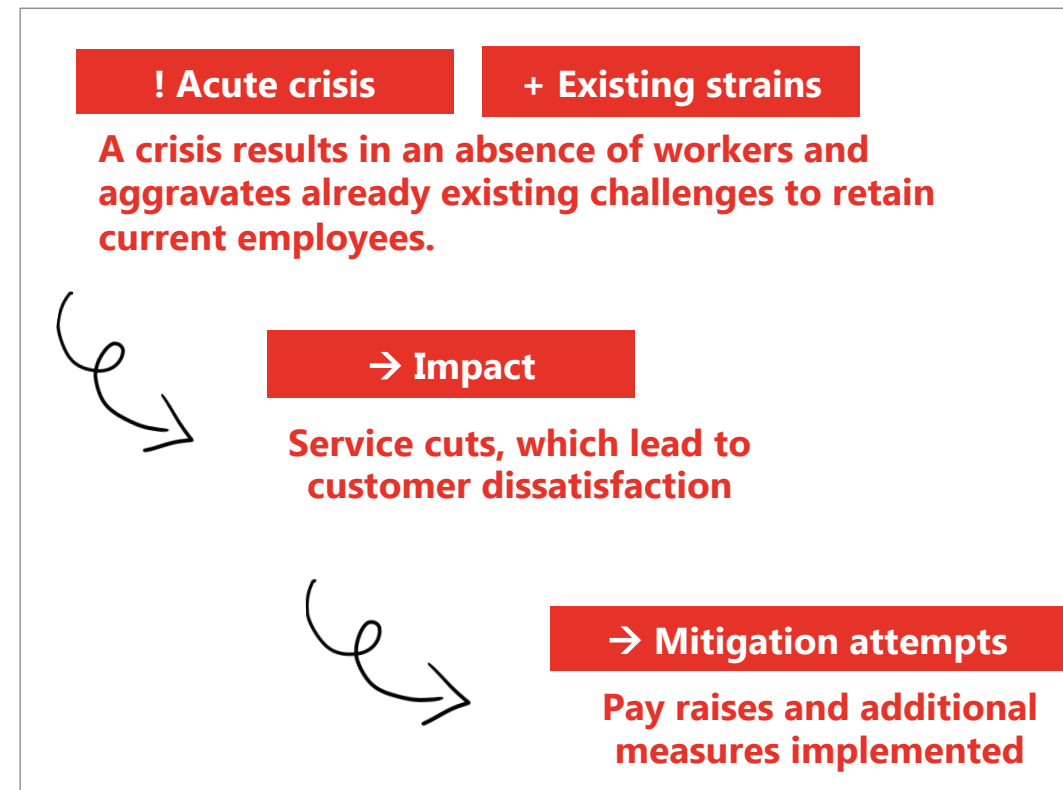


Figure 1: The downward spiral and its impact on the transit industry

A handful of external, macro-economic forces are making the shortage more acute and harder to solve.

An Aging Workforce

In the United States, about 43% of staff in public transport are older than 55. Agencies report that 24% of quitting workers are classified as retirements. In rural agencies, the percentage is higher, at 34%.⁷

Changing Expectations

Most agencies reported that concerns about work scheduling and compensation were the leading reasons cited by transit workers for quitting. These factors are compounded as multi-jobbing and hybrid/flexible work become more normalized.⁷

Changing Migration Directions

By 2035, non-OECD countries could become “the primary destination for mid- and high-skilled migrants due to economic dynamism and changes in demand.”⁸

Fierce Competition

Applicants reject transit agencies’ employment offers 35% of the time—more than twice the rate for jobs in other industries.⁷ Agencies report more departing employees leave to take jobs outside the transit industry than those who retire or leave the workforce combined.⁷

These external drivers limit the **supply of transit workers**.

Potentially affecting levels of service, for example. Adding to the complexity, **demand for transit will also decrease** (e.g., an aging population means fewer riders as well).

Because agencies cannot directly control these factors, they must learn to adapt.

Sources: 7: [Transit Workforce Shortage \(APTA\)](#)

8: [Making Migration and Integration Policies Future Ready \(OECD.org\)](#)



In today's workers' economy, multiple sectors are now vying for attention from the same pool of workers.

Cross-Sector Commonalities

The APTA March 2023 report “**Transit Workforce Shortage**” describes nursing and police work as analogous to the public transit sector due to the shared characteristics, such as:

- An aging workforce,
- Experiences higher levels of stress and hazards during crises, and
- Increased rates of retirements and resignations without a corresponding increase in new hires.⁵

Why Switch Sectors?

Since Covid-19, workers have been leaving their roles to enter new sectors. In June 2022, the Federal Bank of Atlanta found that workers who switched jobs received a raise of 6.4%, versus a 4.7% increase for those who stayed in their role – the “largest gap in two decades.”⁶ Therefore, today's workers are motivated to leave their roles in pursuit of better pay or flexible conditions.

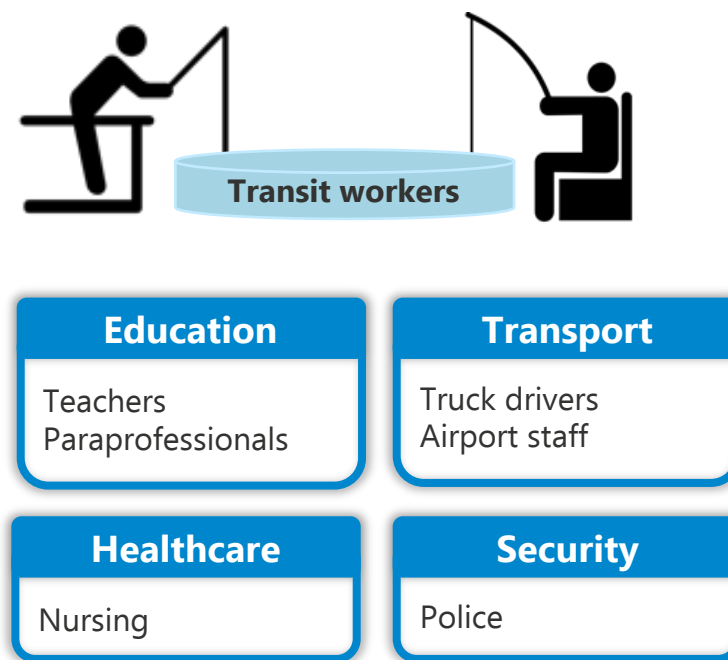


Figure 2: Transit workers can be attracted towards other sectors outside of the transit industry. Examples of other industries include the education, transport, healthcare or security sectors.



Since agencies can't control external factors, they are focusing on what they can control to increase workforce interest and reduce labor needs.

A complex social, regulatory, and economic landscape means transit agencies and prospective / current employees can work together to address this labor shortage.



Recruiting & Hiring new employees⁹

- **Shorten and simplify the hiring process**
- **Provide benefits and incentives**
- **Rethink company policies** (e.g., paid time-off)



Retaining employees

- **Provide upward mobility opportunities**
- **Offer fringe benefits**
- **Create a more flexible work environment**
- **Build agency culture and morale**



Increasing efficiency by technology

Applying Artificial Intelligence for

- Automated traffic control
- Predictive maintenance
- Improved travel assistance
- Smart security systems

Digital crowd management

- Shortening boarding time

Robotic service assistance

- Resourcing critical personnel elsewhere¹⁰

Sources: 9: [The employment conditions you would never think of \(AON\)](#)

10: [AI Transforming the transportation industry \(AI magazine.com\)](#)



Finally, to lessen the drain on the worker supply, addressing hurdles to innovation is critical.

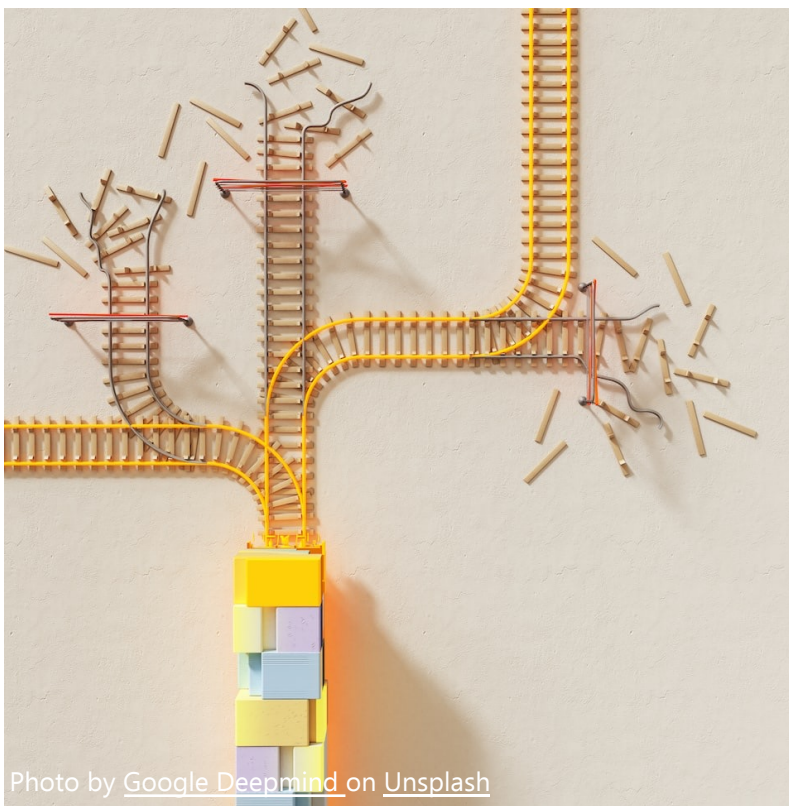


Photo by [Google Deepmind](#) on [Unsplash](#)

Rethinking the procedures that are codified in union agreements is one critical pathway forward. When re-considering these procedures, it is important to make them **future-proof**. This involves rethinking – and where applicable, reframing – various agreements on safety procedures and operational planning.¹¹

Moreover, as technology advances (e.g. whether it's the deployment of AI predictive maintenance or robotic assistance), it is crucial to incorporate these trending developments into current agreements.

Ensuring that transit agencies are aware of these developments is critical to prevent any further continuation of the downward spiral.



Question, feedback, or topic you would like to know more about? Please reach out to lauren.brennan@rebelgroup.com