



2015 Labor Day Travel Forecast

U.S. Intercity Bus Industry



Chaddick Institute for Metropolitan Development
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This Intercity Bus Briefing summarizes the Chaddick Institute for Metropolitan Development's estimates of travel on scheduled intercity bus lines in the United States over the **2015 Labor Day holiday period**. The report seeks to help fill the void created by the absence of a publically-available dataset on holiday travel via bus by providing data-informed estimates described in *Section 2* below. These estimates draw from a variety of data sources, including proprietary reservation information on Wanderu.com and the Chaddick Institute's Intercity Bus Data Set.

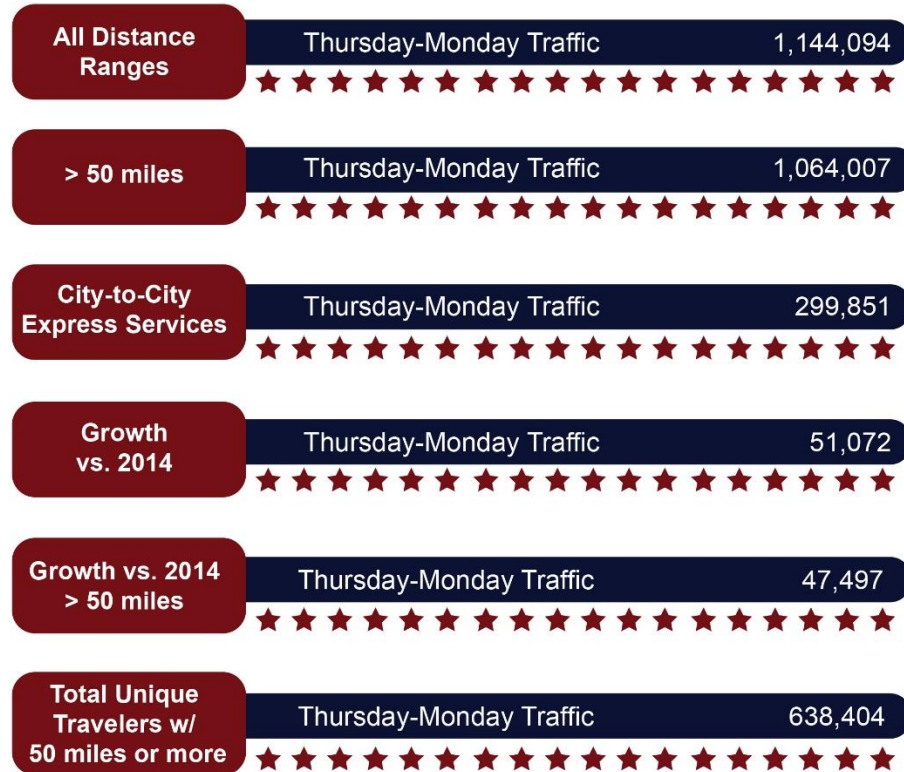
Results are presented to show both the anticipated travel volumes over the five-day holiday period from Thursday, September 4 to Monday, September 7, which allows for comparisons with air and automobile travel estimates, such as those by the American Automobile Association (AAA), which are typically reported over the five-day interval for this holiday.

HOLIDAY TRAVEL PROJECTIONS

Our estimates for the holiday bus travel volumes are as follows:

- **Passenger travel on scheduled bus lines is expected to be at its highest level in at least a decade** surpassing all previous Labor Day holidays over the past ten years. This trend reflects a continuing revival in the intercity bus industry.
- **An estimated 1,144,094 passengers will make trips by bus** between Thursday, September 4 and Monday, September 7. This represents an increase of about 5 percent compared to the same period in 2014.
- **Bookings are highest on Friday, September 4, which is shaping up to be one of the busiest travel days of the year. Strong travel is also expected on Labor Day.** Greyhound, Megabus and other major lines are expected to operate many "extra section" buses on those days.
- **Passengers traveling on a budget are finding bus travel to be a particularly attractive option.** A few weeks before the holiday, peak-hour departures were available between New York and Washington for \$37 each way, while Chicago-to-Detroit fares and Portland-to-Seattle one-way fares were \$38 and \$28, respectively.
- **Travelers increasingly choose buses because of the flexibility carriers offer for rebooking when travel plans change.** Megabus customers recently adopted a policy allowing reservations to be amended online up to six hours prior to departure for \$5, whereas most major airlines charge \$75 - \$200. BoltBus customers can rebook up to the day prior to the original planned departure for \$4.50. In each case, travelers must also pay the difference in fare.

Table 1:
Labor Day Travel Estimates
Projected Ridership



This table shows the estimated number of passengers traveling on scheduled U.S. intercity bus lines for the five-day period (Thursday, September 4 – Monday, September 7), and allows for comparisons with air and automobile travel, such as those by AAA. These do not include passengers using charter, tour, and airport-shuttle operations.

FACTORS AFFECTING TRAVEL DEMAND

The following factors will affect the demand for travel:

- Labor Day falls later this year than last year (when it was on September 1, 2014). This will increase the amount of student travel over the holiday period.
- The number of daily scheduled operations by intercity conventional and discount city-to-city bus lines together grew by 2.1% during normal travel periods between 2014 and 2015.
- A strengthening economy is fueling this growth in bus travel. Declining fuel prices have had only modest effects on the demand for travel by bus.
- Comparison shopping is up. In June, Megabus.com began a partnership with Google Maps to provide new conveniences from the start to finish of passengers trips. Travelers can now, for example, use Google Maps for fare and schedule comparisons and access street level views of bus stops.

- This is the first year in which travelers on Greyhound, the largest provider of intercity bus transportation, can use BusTracker, a GPS tracking system that allows customers to see where their bus is, and when it will arrive at their destination. Many travelers already use the Megabus USA mobile bus tracking application.
- More travelers are reserving seats. Starting this month, Megabus.com made an additional 10 seats, for a total of 20 per bus, available to reserve prior to departure on all routes.
- Demand is also bolstered by the growing availability of discount city-to-city express services by BoltBus, Greyhound Express, Megabus, Peter Pan Express, and many other lines. These services include guaranteed seating, and other such amenities as free Wi-Fi and power outlets, which are now standard on most motorcoaches.

Figure 1:
**Forecasted Travel Volumes on U.S. Intercity Bus System
 Labor Day Holiday**

