COVID-19 & the Future of Economic Activity & Transportation

SYMPOSIUM HIGHLIGHTS

On September 29, 2020, the Edward J. Bloustein School’s Alan M. Voorhees Transportation Center at Rutgers University, in partnership with NJ TRANSIT, convened a full-day virtual symposium on “COVID-19 and the Future of Economic Activity & Transportation”. The symposium brought together 25 national and international experts and over 200 participants exchange insights on post pandemic mid to longer-term trends. The future of work, housing, commercial real estate, tourism, hospitality, retail and entertainment in the New Jersey and New York metropolitan region were the key subjects of discussion.

Big Picture Takeaways

• Work-from-Home will decrease from present levels, but will be higher than we knew before the pandemic; this higher rate could be associated with a possible shift away from centralized HQ locations to multiple smaller satellite offices
• COVID is here for a while with the timing and efficacy for a future vaccine unclear
• Clear, consistent messaging is important to instill safety and confidence in transit
• Similar to a natural disaster, economic recovery could take years
• Transit industry needs to be flexible and agile to meet demand with supply, support Mobility as a Service, offer new fare collection options, and adapt to changing trends in the industry globally

Key Takeaways from Each Session

COVID-19 and How to Build Back Our Communities Better (Richard Florida, Ph.D.)
• Cities will survive, as demonstrated by history and past crises
• Overlapping crises (pandemic, economic fallout, racial protests) have created a once in a lifetime opportunity to reimagine our communities
• Time to act with intentionality is now to set the stage to build back better in an inclusive and resilient way
• Florida concluded that the issue “is more than density – not people per square mile but people per square foot.”
• Strategic long-range economic recovery plan focusing on retention of talent and growth industries is needed
• A more distributed hub-and spoke system of corporate location is likely, with major headquarters facilities in urban centers, surrounded by satellite complexes to service remote workers
• Opportunity for NJ to reinvigorate its older cities (Newark, Camden, Trenton) and suburbs to create complete communities/15-minute neighborhoods

Density Debate and COVID-19

• Density blamed early in the COVID-19 outbreak, as virus ravaged big cities like New York, London, Madrid, and others
• But virus hit denser places first
• Not density per se but global connectivity

Public Transport Post-COVID-19: An International Perspective (Mohamed Mezghani, UITP Sec. Gen.)
• Transit is essential but also undervalued and vulnerable; must engage in a call to action with joint safety messaging, continued importance of transit, and advocate for additional governmental support
• Perception is everything. Many riders avoid transit due to perceptions about safety despite scientific evidence to the contrary
• Cities are for people. The pandemic is an opportunity to advocate for more space for healthier activity & more efficient & sustainable modes of transport like walking, biking & public transit
COVID-19 & the Future of Economic Activity & Transportation

- Public transit must embrace a shift to “Mobility as a Service”
- Transit authorities should not be low-profile; communicate confidence & pride in what transit can do

It’s Getting Dark Early Out There: Pandemic Impacts on the Economy (Ryan Sweet, Senior Director, Moody’s Analytics)
- Costs of this crisis will be with us for years to come; unemployment will remain high for years
- Recovery is following natural disaster trajectory
- Continued federal stimulus is crucial
- Projection: 5% GDP growth this year, 4% next year; 8% unemployment this year, 7.5% next year

Session 1: Where Are We Headed: The Pandemic, Reopening, and Public Health
- Organizations and institutions need to work with state and federal government to develop long-term plans that maintain health actions in place now to be better prepared for the next disruptive event.
- Peoples’ responses to reopening businesses, workplace, and vaccine availability are highly variable
- Long-term development of new technologies to stop spread of infection (surface treatments, robotics)
- Organizations & institutions need to work with state & federal government to develop long-term plans
- Transportation needs to align to consumer’s values – safety, hygiene, healthcare

Session 2: The Future of Mobility and Public Transit
- Heroes Moving Heroes: Transit industry has shown great resilience in pandemic response
- Pandemic offers a unique opportunity to re-imagine towns, cities, and transit systems
- Working remotely is here to stay in some regard, and jobs will be closer to homes
- Transit may be shifting from fixed service to a more responsive, operationally flexible model
- Exploring new fare structures with a focus on social equity
- The 25% increase in NYC jobs between 2010 and 2020 is not a sustainable growth rate

Session 3: The Future of Work, Housing, and Commercial Real Estate
- Shift from consumer-based spending of baby boomers to experience-based spending of millennials
- Work is being recognized as an activity and not as a place; rigid 9 to 5 work schedule; 5-day commute may be less relevant in the future
- Work locations could shift to rely less on traditional Central Business Districts—opening the potential to encourage new mixed-use developments which could be structured as Live-Learn/Work/Play centers.
- Important new evidence that recent residential settlement trends (out-migration to more distant NJ counties) will be reflected in longer trips and more VMT in short-term

Session 4: The Future of Tourism, Hospitality, Retail and Entertainment
- All four industries (tourism, hospitality, retail, and entertainment) are still in crisis
- Discretionary travel or leisure travel for outdoor destinations can recover in the near- to mid-term
- Many jobs in these industries cannot be performed remotely and are low paying
- Employees rely on transit or shared rider service to commute to work, resulting in long commutes
- We’re at a historic moment with social justice – wage earners want more, and business can support workers and transit with incentives for employees to use transit to get to work.