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GIG PASSENGER AND DELIVERY DRIVER PAY IN FIVE METRO AREAS

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Abstract

Proposition 22, the gig company-sponsored 2020 California ballot measure, promised that drivers would earn at least 120 percent of local minimum wages. Yet little is known about whether drivers earn these amounts. In numerous other jurisdictions, policy initiatives to regulate the pay of gig drivers have been hampered by the absence of systematic data on drivers' working time, earnings, tips, and expenses. To fill these data gaps, we analyze data on 52,370 trips by 1,088 drivers who worked on six passenger and delivery platforms in five major metro areas. We examine earnings using a variety of measures. One key measure is earnings, after expenses, over a driver's entire shift. Using this measure, a majority of drivers in each of the five metro areas earned less than the applicable minimum wage.

A second key measure, employee-equivalent earnings, further adjusts net earnings to account for the cost of employer payroll taxes that drivers must pay and for the value of mandated employee benefits. Among gig passenger drivers in California, the median hourly employee-equivalent wage equaled $5.97 without tips and $7.63 with tips. Even with adjustment payments to drivers who earned less than Proposition 22's guarantees, passenger drivers in California earned less than their counterparts in Boston, Chicago, and Seattle.

Tips, which are explicitly excluded from the Proposition 22 guarantee, play a much larger role in the net earnings of gig delivery workers. The employee-equivalent pay of delivery workers in California equaled $4.98 an hour without tips and $11.43 with tips, well below the minimum wage. These results suggest that Proposition 22-type initiatives underway in other states may not adequately increase sub-minimum compensation rates and that most drivers would be better paid as employees than as independent contractors.

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Key findings

- We analyze data on gig passenger and delivery driver earnings in January 2022 in the Boston, Chicago, Los Angeles, San Francisco Bay, and Seattle metros. The typical passenger and delivery drivers earned less than the applicable minimum wage in all five metros.

Passenger drivers

- After expenses and excluding tips, passenger drivers' median net hourly earnings equaled $7.12 in California and $10.64 in the metros outside California.

- Employee-equivalent pay—which adjusts drivers' net pay for employer payroll taxes that drivers must pay and mandated employee benefits—equaled only $5.97 in California and $9.18 across the other metro areas. Tips added about 20 percent to these amounts.

Delivery workers

- Tip income is an integral part of delivery drivers' pay. Delivery workers' median net hourly earnings, after expenses and excluding tips, equaled $5.93 in California and $0.48 in the other metro areas. Including tips, median delivery driver earnings equaled $13.62 in California and $9.87 in the other metro areas.

- Excluding tips, delivery workers' employee-equivalent net earnings equaled $4.98 in California and $0.40 in the other metros. With tips included, the typical delivery driver earned an employee-equivalent wage of $11.43 in California and $8.36 in the other metro areas.

Passenger and delivery driver net hourly earnings (2022 $)

	Net pay		Net employee-equivalent pay	
	Without tips	With tips	Without tips	With tips
Passenger drivers, California	7.12	9.09	5.97	7.63
Passenger drivers, other	10.64	12.94	9.18	11.14
Delivery workers, California	5.93	13.62	4.98	11.43
Delivery workers, other	0.48	9.87	0.40	8.36

Impact of Proposition 22

- In California, Proposition 22 adjustments (additional payments required of the gig companies when minimum pay mandates are not met) were more common for delivery drivers than for passenger drivers. Sixty-six percent of DoorDash drivers and 48 percent of Uber Eats drivers received Proposition 22 adjustments, compared to 5 percent of Uber drivers.

- Even with Proposition 22 adjustments, but excluding tips, California passenger drivers earned less than their counterparts in the non-California metros. However, after including tips, the typical California delivery worker earned $3 more an hour than those outside California.

1. Introduction and background

The rapid growth of gig passenger companies—Uber and Lyft—and of gig delivery companies—Uber Eats, DoorDash, Grubhub, and Instacart—and their treatment of drivers as independent contractors has led to concerns about the drivers' compensation levels. As a result, multiple cities, states, and countries are considering or have implemented regulatory policies to maintain driver pay and benefits standards. New York City, New York State, Seattle, Washington State, and California have already implemented pay floor policies. Such diverse areas as Chicago, Toronto, Massachusetts, Minneapolis, Minnesota, Australia, Brazil, British Columbia, and the European Union are also considering regulatory measures.

These regulatory initiatives center on standards that would increase pay to an adequate minimum level of driver compensation, generally to the equivalent of the local minimum wage. However, the proposed standards often have not been based on comprehensive data on existing compensation rates. Equally important, the extant research has focused almost exclusively on passenger drivers to the neglect of delivery services, the fastest-growing segment of the industry. Yet, as we show here, the work schedules and pay levels of delivery drivers differ substantially from those of passenger drivers.

Our paper attempts to fill these gaps. We provide the first analysis of detailed trip activity and earnings for both passenger drivers and delivery drivers across five metro areas that have enacted or are considering policies regulating gig driver earnings. We use a novel dataset that includes the two main gig passenger platforms and the four main delivery platforms. We include data on drivers who worked at least 10 hours over a two-week period from January 10 to January 24, 2022, and performed trips in five metro areas: Boston, Chicago, Los Angeles, San Francisco, and Seattle. The drivers had uploaded their data to Gridwise, a third-party app that drivers use to track their activity and earnings. Gridwise is an independent company that is not affiliated with any rideshare or delivery worker platforms.[1] After culling drivers with incomplete data and trips outside our metro regions, our initial analysis sample includes 1,088 drivers and 52,370 trips.

Following standard practice, we divide driver time per working shift into three components: P1 is when drivers await a request for a ride or delivery and/or are

1 Discussions of gig driver platforms distinguish between Transportation Network Companies (TNCs) and Delivery Network Companies (DNCs). The terms "transportation platforms" and "rideshares" are used to refer to TNCs, and the term "delivery platforms" refers to DNCs. In this paper, we typically refer to workers who provide services through TNCs as "passenger drivers" and those who provide services through DNCs as "delivery drivers." Note that we include in the definition of "delivery drivers" those who use e-bikes, mopeds, scooters, and bicycles.

returning from an outlying area after dropping off a passenger or delivery. P2 is the time spent driving to pick up a passenger or delivery order. P3 is the time a driver has a passenger or delivery item in the vehicle. Driver pay in California is based on P2 and P3 together. Elsewhere, driver compensation is based only on P3 time. The sum of P1, P2, and P3 equals drivers' total working time, which we will also refer to as shift time.

We will show results for four earnings measures: Gross earnings per P23 hour; net earnings per P23 hour; net earnings per hour of working time (i.e., P1-P3); and the employee-equivalent wage per hour of working time. Net earnings equal gross earnings minus driving expenses. The employee-equivalent wage takes into account the value of payroll taxes, rest and lunch breaks, and other conditions and mandates that apply to employees. Our two preferred pay measures are net earnings per hour of working time and the employee-equivalent wage per hour of working time.

To preview our findings, the typical delivery and passenger drivers earned well below the locally applicable employee-equivalent of the minimum wage. In other words, most drivers would be better off if the companies treated them as employees instead of as independent contractors.[2]

The low pay that we observe results from four features of the industry: 1) Only two passenger companies (Lyft and Uber) and four delivery companies (DoorDash, Grubhub, Instacart, and Uber Eats) dominate these gig services. When drivers have only a few options, companies can pay lower wages. 2) The gig companies draw upon a large supply of workers—most of whom are recent immigrants—who do not have better employment options.[3] 3) Unlike in most service industries, the gig companies treat their workers as independent contractors and do not pay them for their time or driving

2 As we review in Section 2, these low pay estimates for gig drivers mirror the results in previous studies of New York City, Seattle, and Minnesota that were conducted by one of the co-authors of this paper (James A. Parrott and Michael Reich, "An Earnings Standard for New York City's App-Based Drivers: Economic Analysis and Policy Assessment," Report for the New York City Taxi and Limousine Commission, June 2018, http://www.centernyc.org/an-earnings-standard; James A. Parrott and Michael Reich, "A Minimum Compensation Standard for Seattle TNC Drivers," Report for the City of Seattle, July 6, 2020, https://irle.berkeley.edu/publications/report/a-minimum-compensation-standard-for-seattle-tnc-drivers/; James A. Parrott and Michael Reich, "Transportation Network Company Driver Earnings Analysis and Pay Standard Options," Report for the Minnesota Department of Labor and Industry, March 8, 2024, https://www.dli.mn.gov/sites/default/files/pdf/TNC_driver_earnings_analysis_pay_standard_options_report_030824.pdf.) as well as studies by other researchers, such as Lawrence Mishel, "Uber and the Labor Market: Uber Drivers' Compensation, Wages, and the Scale of Uber and the Gig Economy" (Washington, D.C.: Economic Policy Institute, May 15, 2018), https://epi.org/145552.

3 Parrott and Reich, "An Earnings Standard for New York City's App-Based Drivers: Economic Analysis and Policy Assessment"; Parrott and Reich, "A Minimum Compensation Standard for Seattle TNC Drivers"; Parrott and Reich, "Transportation Network Company Driver Earnings Analysis and Pay Standard Options."

expenses between rides. As a result, the companies have an incentive to keep more drivers in their systems than they need, reducing the share of drivers' work time in which they obtain paying gigs. 4) The gig companies possess significant information about what pay levels each driver will accept; they are thus able to adjust offers accordingly, creating what Dubal (2023) terms algorithmic wage discrimination.[4] Uber CEO Dara Khosrowshahi described this strategy as "offering the right trip, at the right price to the right driver."[5] These conditions allow the companies to take shares of passenger fares (commissions) that are higher than the levels in more competitive platform industries and to pay their workers less than what they would receive if there was more competition among the companies.

In Section 2, we review driver pay policies in California, Massachusetts, Minnesota, New York City and New York State, and Seattle and Washington State as well as recent driver pay studies. We discuss our data and methods in Section 3, our findings on driver working patterns in Section 4, and our findings on driver gross earnings, net earnings, and employee-equivalent earnings in Section 5. In Section 6 we examine the companies' compliance with California's Proposition 22. We present our conclusions in Section 7. An appendix provides further details on our data and methods.[6]

2. The policy and research context

2.1 Minimum driver pay standards

California

In September 2019, California enacted AB 5, which established a clear test to determine whether a worker was an employee or an independent contractor. Under this new standard, gig drivers were determined to be employees. In response, in 2020 a coalition of gig companies placed Proposition 22 on the state ballot. The proposition, which passed and went into effect in January 2021, classified gig drivers as independent contractors, and created a new set of standards that applied only to those workers. In

4 Veena Dubal, "On Algorithmic Wage Discrimination," UC San Francisco Research Paper (San Francisco: UC Law, January 19, 2023), https://papers.ssrn.com/sol3/papers.cfm?abstract_id=4331080#.

5 "Uber Technologies, Inc. (UBER) Q4 2023 Earnings Call Transcript" (SA Transcripts, February 7, 2024), https://seekingalpha.com/article/4668200-uber-technologies-inc-uber-q4-2023-earnings-call-transcript.

6 Appendix: Adjustments to the Gridwise Data, https://laborcenter.berkeley.edu/wp-content/uploads/2024/05/Appendix-Adjustments-to-the-Gridwise-Data.pdf.

2023, a California Court of Appeals reversed a lower court ruling that Proposition 22 was unconstitutional, allowing most of the proposition to stand. The California Supreme Court has agreed to hear the case; the Court is reportedly likely to issue its ruling sometime in 2024.

Proposition 22 requires app-based passenger and delivery companies to pay a minimum of 120 percent of the relevant state or local minimum wage for P23 time over a two-week period. This definition excludes P1 time spent waiting for the next trip or delivery request or returning from an outlying area or a customer delivery.

Under Proposition 22, the companies compensate drivers for expenses at a rate of 30 cents per mile for miles driven during P23 time, with the amount adjusted annually for inflation (currently 35 cents per mile). Expenses for miles driven after a passenger drop-off or after delivering a meal, and before the next request, are not covered. Drivers do not have access to California's mandated paid sick time, rest breaks, overtime, or unemployment insurance. The gig companies provide occupational accident insurance, but at a lower level of coverage than what workers' compensation requires for employees.

Proposition 22 also calls for drivers who meet a minimum hour threshold to be reimbursed for part of their health care premium expenses if they are enrolled in Covered California, the state health benefit exchange. Drivers can be reimbursed for 82 percent of the average premium cost of a Bronze Plan in Covered California if they drive at least 25 P23 hours per week in a quarter for a single company, or 42 percent of their costs if they drive at least 15 P23 hours per week in a quarter for a single company. If a driver is multi-apping, the hours are not aggregated across platforms. Several surveys of drivers found that about 10 percent have received these subsidies.[7]

Jacobs and Reich (2019) estimated that the Proposition 22 standard would guarantee an employee-equivalent wage of only $5.64 an hour.[8] Gig companies argued that workers already earned well above the state's minimum wage.

Massachusetts

In 2022, gig driver advocates began to lobby the Massachusetts legislature to institute driver pay standards. In response, the gig companies collected signatures to put a

7 A detailed methodological appendix describes this data and our steps to clean it. https://laborcenter.berkeley.edu/wp-content/uploads/2024/05/Appendix-Adjustments-to-the-Gridwise-Data.pdf.

8 Ken Jacobs and Michael Reich, "The Uber/Lyft Ballot Initiative Guarantees Only $5.64 an Hour" (University of California, Berkeley: Center on Wage and Employment Dynamics, Institute for Research on Wage and Employment, and Center for Labor Research and Education, October 31, 2019), https://laborcenter.berkeley.edu/the-uber-lyft-ballot-initiative-guarantees-only-5-64-an-hour-2/.

proposition on the ballot in Massachusetts that mirrored California's Proposition 22; however, the Massachusetts Supreme Judicial Court ruled that the proposition was unconstitutional.[9] The back and forth between the driver advocates and the companies continued in 2023 and 2024. These measures include a 2024 ballot initiative enabling drivers to bargain collectively with the companies.[10] The companies have also proposed a proposition for the November 2024 state ballot similar to California's proposition. Massachusetts sued the companies for misclassifying their workers in 2020; the trial in that case began on May 13, 2024.

Minnesota

In May of 2023, the Minnesota legislature passed a bill establishing a minimum pay standard for passenger drivers. The governor vetoed the bill because it was not based on a considered analysis determining an appropriate pay standard for the state. In early 2024, the Minneapolis City Council passed a pay standard that withstood a veto by the mayor. In response, Uber and Lyft threatened to leave the city.[11] Meanwhile, the state legislature is considering another pay standard, which would affect 10,000 Minnesota drivers, based on a study conducted for the state by Parrott and Reich (2024). This standard would apply different rates to the Twin Cities metro and the remainder of the state.[12] At the time of writing, the differences between the Minneapolis City Council's and the Minnesota Legislature's pay standards had been resolved, but negotiations over their compromise were continuing with the governor and with the gig companies.

New York City and New York State

Although New York City is not one of the areas included in this study, it was the first to institute a minimum compensation standard for transportation network company drivers, in February 2019. The New York City pay standard was intended to cover driver expenses (at a rate slightly above the IRS business mileage rate), provide for paid sick time off and the employer share of payroll taxes, and compensate drivers at the local minimum wage. The per-trip pay standard time and mileage rates were structured in a

9 Matt Stout, "SJC Rejects Gig Worker Ballot Question in Victory for Unions," Boston Globe, June 14, 2022, https://www.bostonglobe.com/2022/06/14/business/mass-high-court-blocks-gig-worker-question-november-ballot/.

10 Chris Lisinski, "Unions Back Basic Benefits Bill for Uber, Lyft Drivers," *WBUR*, January 24, 2023, https://www.wbur.org/news/2023/01/24/uber-lyft-rideshare-legislation-unions.

11 Yiwen Lu, "Uber and Lyft Threaten to Pull Out of Minneapolis After City Council Vote," *The New York Times*, March 15, 2024, sec. Technology, https://www.nytimes.com/2024/03/15/technology/uber-lyft-minneapolis-minimum-wage.html.

12 Parrott and Reich, "Transportation Network Company Driver Earnings Analysis and Pay Standard Options."

manner designed to encourage the companies to limit the number of drivers allowed on the platform. Automatic annual cost-of-living adjustments have increased driver pay for a typical trip by about 21 percent since 2019. The New York City passenger driver pay standard covers about 100,000 drivers.[13]

As part of a historic $328 million November 2023 wage theft settlement with the New York State Attorney General's Office, Uber and Lyft agreed to provide paid sick leave to tens of thousands of rideshare drivers in New York City and throughout the state.[14] Uber also recently reached an agreement with the State of New York to pay past and future unemployment insurance payroll taxes for all Uber and Uber Eats drivers and couriers; the agreement retroactively covers taxes back to 2013 when it began operating in New York State.[15]

New York City instituted a minimum compensation standard for 65,000 restaurant delivery workers in December 2023. Most of the restaurant food deliverers use e-bikes or mopeds. Minimum pay was set at $19.56 per hour before tips as of April 1, 2024. A city analysis had determined that delivery worker pay averaged $5.39 an hour before the pay standard.[16]

13 Parrott and Reich, "An Earnings Standard for New York City's App-Based Drivers: Economic Analysis and Policy Assessment." The pay standard includes a 6 percent contribution for paid time off. In light of the rapid increase in gas and vehicle prices in 2021 and 2022, the March 2023 COLA mileage adjustment was based on the change in the transportation component of the CPI. At the same time the New York City Council voted to authorize the TNC driver pay standard, it also approved a one-year moratorium on the number of TNC vehicles that has been periodically extended with certain exemptions, for example, for wheelchair accessible vehicles and electric vehicles.

14 People of the State of New York, Office of the Attorney General, Labor Bureau, "In the Matter of The Investigation of Letitia James, Attorney General Of The State of New York Of Uber Technologies, Inc.," Assurance of Discontinuance, November 1, 2023, https://ag.ny.gov/sites/default/files/settlements-agreements/uber-lyft-aods.pdf. The back pay in this settlement pertained to driving activity dating back nearly a decade.

15 New York State Governor Kathy Hochul, "Governor Hochul Announces Unprecedented Settlement Agreement Between the NYS Department of Labor and Uber," November 2, 2023, https://www.governor.ny.gov/news/governor-hochul-announces-unprecedented-settlement-agreement-between-nys-department-labor-and. This settlement followed years of administrative rulings by the State Unemployment Insurance Appeals Board in over 200 individual cases that Uber and Lyft drivers should be considered employees and not independent contractors, and thus eligible for unemployment compensation.

16 NYC Consumer and Worker Protection, "Minimum Pay Rate for App-Based Restaurant Delivery Workers," accessed May 13, 2024, https://www.nyc.gov/site/dca/workers/Delivery-Worker-Public-Hearing-Minimum-Pay-Rate.page.

Seattle and Washington State

In October 2020, Seattle enacted a transportation network company minimum compensation standard. The standard ensured that passenger drivers earned no less than the Seattle minimum wage, taking into account P1 time, miles driven during P1 time, and the full cost of owning and operating a vehicle (Parrott and Reich 2020).[17] The Seattle pay standard also includes payments for health insurance and rest breaks and is indexed for inflation. In June 2022, Seattle extended pay standard coverage to delivery drivers, effective January 2024.[18]

During the pandemic, Seattle mandated a temporary paid sick leave policy for gig drivers that became permanent in May of 2023.[19] The sick leave policy entitles drivers to one day of pay for each 30 days of work in Seattle.

In January 2023, a new state law superseded Seattle's pay standard. Under the new law, Seattle drivers must be paid a minimum of $0.64 a minute, plus $1.50 per mile and a minimum of $5.62 per trip.[20] Trips driven outside of Seattle are reimbursed at a significantly lower rate. Drivers also earn at least one hour of paid sick time for every 40 hours of shift time. Drivers are covered by state workers' compensation policies during P3 time. In addition, the state will contract with a non-profit organization to create a driver resource center that will provide education and outreach to drivers and support drivers in dispute resolutions over deactivation.

2.2 Studies of gig driver pay

We review here a diverse set of studies that have estimated gig driver hourly earnings. Comparisons are complicated by differences in datasets as well as differences in definitions and assumptions. Some studies estimate only gross earnings before

17 Parrott and Reich, "A Minimum Compensation Standard for Seattle TNC Drivers."

18 Kathryn P. Fletcher, "Seattle Enacts First-of-Its-Kind Ordinance to Provide Minimum Wage and Other Protections for App-Based Delivery Workers," *Ogletree Deakins* (blog), June 24, 2022, https://ogletree.com/insights-resources/blog-posts/seattle-enacts-first-of-its-kind-ordinance-to-provide-minimum-wage-and-other-protections-for-app-based-delivery-workers/.

19 Seattle Office of Labor Standards, "App-Based Worker Paid Sick and Safe Time Ordinance," Seattle.gov, accessed April 18, 2024, https://www.seattle.gov/laborstandards/ordinances/app-based-worker-ordinances/app-based-worker-paid-sick-and-safe-time-ordinance.

20 Washington State Department of Labor & Industries, "Transportation Network Company Drivers' Rights," Washington State Department of Labor & Industries, accessed April 18, 2024, https://lni.wa.gov/workers-rights/workplace-policies/transportation-network-company-drivers-rights/.

expenses, while others estimate net earnings after expenses. Some studies include data on tip income, others do not. The studies differ on their definition of working time—in particular, on the treatment of P1 time—and on how to measure reimbursable expenses. Some studies have data on just Uber drivers, some on just Lyft drivers, and some have data on both. All but one of these studies are limited to passenger drivers; only one examined the pay of delivery drivers.

National studies commissioned by Uber

Hall and Krueger (2016) used Uber data from six metro areas to estimate that Uber drivers earned $19.35 in gross hourly earnings.[21] Their hourly expense estimates range from $2.94 to $6.46, depending on the vehicle model and whether the driver worked full- or part-time, with net earnings ranging from $11.88 to $16.41. In another study, Cook et al. (2021) used Uber data to estimate gross hourly earnings of $21.07.[22] Their estimates did not account for driver expenses.

National study conducted by Gridwise (2024)[23]

Gridwise's Gig Mobility Report provides data collected from about 500,000 drivers who together conducted about 400 million trips in 2022 and 2023. The report documents the growing importance of delivery drivers, especially DoorDash drivers, in the gig driver landscape. Interestingly, the top 10 restaurants that used gig drivers for delivery were all fast-food chains.

The report provides monthly average gross earnings and hours worked in 2022 and 2023 for passenger and delivery drivers. However, the report does not indicate whether tips are included in the earnings figures and whether the hours reported include P23 hours, P3 hours, or all hours worked. In any case, the report indicates that gross hourly earnings in 2022 averaged $29.31 for Uber drivers, $20.21 for Lyft drivers, and ranged between $14.37 and $17.80 for delivery drivers. The report offers some data on tipping. Tips accounted for 10 percent of passenger driver compensation and 51 percent of delivery driver compensation.

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21 Jonathan V. Hall and Alan B. Krueger, "An Analysis of the Labor Market for Uber's Driver-Partners in the United States," Working Paper (National Bureau of Economic Research, November 2016), http://www.nber.org/papers/w22843.

22 Cody Cook et al., "The Gender Earnings Gap in the Gig Economy: Evidence from over a Million Rideshare Drivers," *The Review of Economic Studies* 88, no. 5 (October 1, 2021): 2210–38, https://doi.org/10.1093/restud/rdaa081.

23 Gridwise Analytics, "Gridwise Gig Mobility Report," 2024, https://gridwise.io/gig-mobility-report/.

National employee-equivalent earnings study

Mishel (2018)[24] used the data from Cook et al. (2021)[25] to estimate driver compensation and expenses. He then converted their net earnings estimates into an employee-equivalent wage by adjusting for payroll taxes and mandated driver benefits that differ between independent contractors and employees. Mishel's estimated employee-equivalent wage was $9.21 an hour.

Studies of individual cities and states

Five studies looked at passenger driver earnings in four cities—New York City, Denver, Seattle, and San Francisco—and two studies examined earnings in Massachusetts and Minnesota.

Using data for New York City from both Uber and Lyft, Parrott and Reich (2018) estimated median gross hourly pay of $22.35 and net hourly pay of $13.70.[26] About 85 percent of drivers earned less than $17.22, the employee-equivalent wage needed to meet the $15 New York City minimum wage.

Using data gathered by Henao while driving in Denver, Henao and Marshall (2019) found gross hourly earnings of $15.57 and net earnings that ranged between $5.72 and $10.46, depending on cost-per-mile assumptions.[27]

Benner (2020) collected data from 643 San Francisco drivers for six platforms: Uber, Lyft, Uber Eats, DoorDash, Grubhub, and Shift. His sampling method oversampled full-time drivers: About 35 percent of the surveyed San Francisco drivers worked 40 hours or more for the platform companies, somewhat higher than in data that includes part-time drivers more fully. Passenger drivers' net earnings averaged $360 per week in San Francisco; delivery drivers' earnings averaged $220 per week.

Using a survey of Seattle gig passenger drivers, Parrott and Reich (2020) found that drivers' gross hourly earnings equaled $23.32 and that net earnings equaled $11.43,

24 Mishel, "Uber and the Labor Market."

25 Mishel's study was based on the 2018 working paper version of Cook et al., "The Gender Earnings Gap in the Gig Economy."

26 Parrott and Reich, "An Earnings Standard for New York City's App-Based Drivers: Economic Analysis and Policy Assessment."

27 Alejandro Henao and Wesley E. Marshall, "An Analysis of the Individual Economics of Ride-Hailing Drivers," *Transportation Research Part A: Policy and Practice* 130 (December 1, 2019): 440–51, https://doi.org/10.1016/j.tra.2019.09.056.

considerably below Seattle's minimum wage.[28] A second Seattle study used data provided by Uber and Lyft (Hyman 2020).[29] This study estimated average gross hourly earnings of $25.82 and net earnings of $23.25. These estimates hinge on two important assumptions:

- Hyman counted P1 time only if it ended with a ride. Hyman thus excluded time spent by a driver waiting after a ride before giving up for the shift or deadheading back from the final ride. When he used the more conventional definition of P1 time, Hyman estimated gross hourly earnings of $23.20, almost identical to the gross hourly earnings estimated by Parrott and Reich (2020).[30]

- Second, Hyman assumed that expenses amounted to only 19 cents per mile. Using the 55 cents per mile IRS expense reimbursement rate, Parrott and Reich (2020) estimated average net hourly earnings of $11.43 in Seattle.[31] Thus, the two estimates differed mainly in how they calculated expenses.

Reich (2020) estimated passenger driver pay in California using data from Uber's studies, data that Uber and Lyft released to the California Air Resources Board, and Fehr and Peers, a transportation consulting company.[32] Reich estimates net hourly pay for passenger drivers in Los Angeles of $3.97 an hour.

Massachusetts

Big Lake Data (2023) used data from Gridwise to analyze passenger driver earnings in Massachusetts.[33] They estimated net earnings of $12.82 an hour including tips, counting all work time (P1-P3) and expenses. They estimate that expenses were equal to approximately half of a driver's gross earnings.

28 Parrott and Reich, "A Minimum Compensation Standard for Seattle TNC Drivers."

29 Louis Hyman et al., "Platform Driving In Seattle" (Cornell University ILR Institute for Workplace Studies, July 6, 2020), https://hdl.handle.net/1813/74305.

30 Parrott and Reich, "A Minimum Compensation Standard for Seattle TNC Drivers."

31 Parrott and Reich.

32 Michael Reich, "Pay, Passengers and Profits: Effects of Employee Status for California TNC Drivers," IRLE Working Paper (University of California, Berkeley, Center on Wage and Employment Dynamics, October 2020), https://irle.berkeley.edu/wp-content/uploads/2020/10/Pay-Passengers-and-Profits-1.pdf.

33 Drivers Demand Justice, "The Real Economics of Ridehail Work: What It's like to Work for Uber and Lyft in Massachusetts," October 2023, https://driversdemandjustice.org/wp-content/uploads/2023/10/Gig-Worker-Report-Design_780.pdf.

Minnesota

Parrott and Reich (2024) analyzed passenger drivers' earnings for the Minnesota Department of Labor and Industry.[34] They found median driver earnings per P23 hour of $33.13, and median earnings per working hour (P1-P3) after expenses of $13.63. They also found reduced P1 times compared to previous research due to greater use of forward dispatching—that is, offering rides to drivers before they had completed their current ride.

3. Data and methods

3.1 Data

Our data come from Gridwise, a free third-party rideshare and delivery assistance app that drivers use to track their trips, hours, and earnings, and increase their productivity.[35] The data cover two passenger transportation services (Uber and Lyft) and four delivery services (DoorDash, Grubhub, Instacart, and Uber Eats). For each trip and work shift, the app tracks work time and miles driven as well as earnings, tips, bonuses, and incentives.

The data cover the two-week period from Monday, January 10, 2022, through Monday, January 24, 2022. We restricted the dataset to drivers who worked a minimum of 10 hours over the sample period. Parrott and Reich (2024) find that net earnings in these weeks are close to the average over an entire year.

The Uber, Uber Eats, and DoorDash data for San Francisco and Los Angeles clearly indicate wage adjustments made to meet Proposition 22's minimum pay mandates. Each of these three companies made the adjustment payments the day following the end of a two-week period. Our data include such payments made on January 11, January 18, and January 25, 2022.

Delivery drivers completed 29,202 trips, multi-service drivers handled 10,848 trips, and passenger drivers undertook 12,320 trips. Since the DoorDash data do not include shift times and distances, we excluded 654 DoorDash drivers from the net earnings analysis, leaving us with 434 drivers, 5,222 shifts, and 30,100 trips for that part of the analysis. To ensure sufficient sample sizes, we report results for California drivers and non-California drivers, rather than for each of the five metros.

34 Parrott and Reich, "Transportation Network Company Driver Earnings Analysis and Pay Standard Options."

35 Gridwise also offers a premium service for a fee.

Our dataset is more comprehensive than that used in any previous study, especially in its inclusion of data on delivery drivers, but it still has limitations.[36] Compared to the universe of all drivers, the respondents in our sample are more likely to engage in multi-app work and may have higher-than-average earnings. On the other hand, our results for passenger drivers accord closely with previous studies of passenger driver earnings.

For further details, see the methodology appendix.[37]

3.2 Considerations for calculating gig driver work time and expenses

Any study of gig drivers must contend with two main issues in estimating net driver earnings.

Calculating work time

The first issue concerns the treatment of working time between trips. Except in California, the gig companies compensate the drivers only during P3 time, when they have passengers or delivery items in their vehicle. (P23 time is compensated in California). In all areas, drivers are not paid for the time they spend waiting for a ride or the time they spend returning to their ride and delivery hubs (P1 time). Outside of California, drivers are not compensated for the time they spend after accepting a gig while on their way to pick up the passenger or delivery (P2 time). Studies conducted by Uber and their associated researchers exclude P1 from working time. Studies by scholars who are independent of Uber include P1 time in their calculation of hourly pay. During this time, the drivers are making themselves available on short notice, thereby providing a valuable service to the platform company that is key to their ability to offer passengers prompt service. Indeed, when companies classify workers as employees, time between customers is considered work time. A firefighter or ambulance driver is paid for the time they wait between emergencies, even as some of that time may be spent on other activities, so long as they are ready to act when called upon. We include this time between rides in drivers' working hours for our analysis.

36 Gridwise drivers may be more experienced than non-Gridwise drivers, they may drive more consistently, and they may be more likely to be working across apps. Parrott and Reich (2024) found that excluding drivers who work less than ten hours per week did not substantially affect average earnings calculations.

37 Appendix: Adjustments to the Gridwise Data, https://laborcenter.berkeley.edu/wp-content/uploads/2024/05/Appendix-Adjustments-to-the-Gridwise-Data.pdf.

Calculating expenses

A second main issue in calculating driver earnings concerns accounting properly for driver expenses during all the time they are working. The gig companies reimburse drivers' expenses only during P3 miles (P23 miles in California). Yet drivers incur expenses returning from a passenger drop off or delivery and while they are driving to pick up a passenger. We incorporate expenses associated with all related driving in our analysis. Furthermore, in California, Proposition 22 allowed the gig companies to reimburse drivers at a rate of 30 cents per mile (adjustable for inflation). The companies claim that drivers should be reimbursed for fuel and maintenance costs, but not for the full wear and tear on their vehicles (depreciation), or other costs associated with owning and operating a vehicle.

In contrast, the standard federal rate—which is based on the previous year's average depreciation and operating costs —was 58.5 cents in January 2022 and 67 cents for 2024. Employees are usually reimbursed for their vehicle expenses at the federal rate. Since the federal rate more accurately reflects all a driver's expenses, we use that rate to calculate driver expenses in our analysis.[38]

4. Work hours, miles, and driving patterns

4.1 Driving patterns

Delivery drivers work shorter hours than passenger drivers do. They drive fewer miles per hour and thus have lower hourly mileage expenses than passenger drivers. They receive a greater share of their income from tips. In our full sample, including DoorDash, about 45 percent of drivers were multi-app drivers; that is, they drove for more than one platform over the two-week period. Using multiple apps in the same shift was less common. Passenger drivers used more than one app in 24 percent of their shifts; the comparable figure for delivery drivers was 20 percent.

Drivers tend to specialize in either passenger or delivery services. Relatively few drivers (11 percent) performed both sets of services over the two-week period. Only 4 percent of shifts involved a driver providing trips for both delivery and passenger services. Thus,

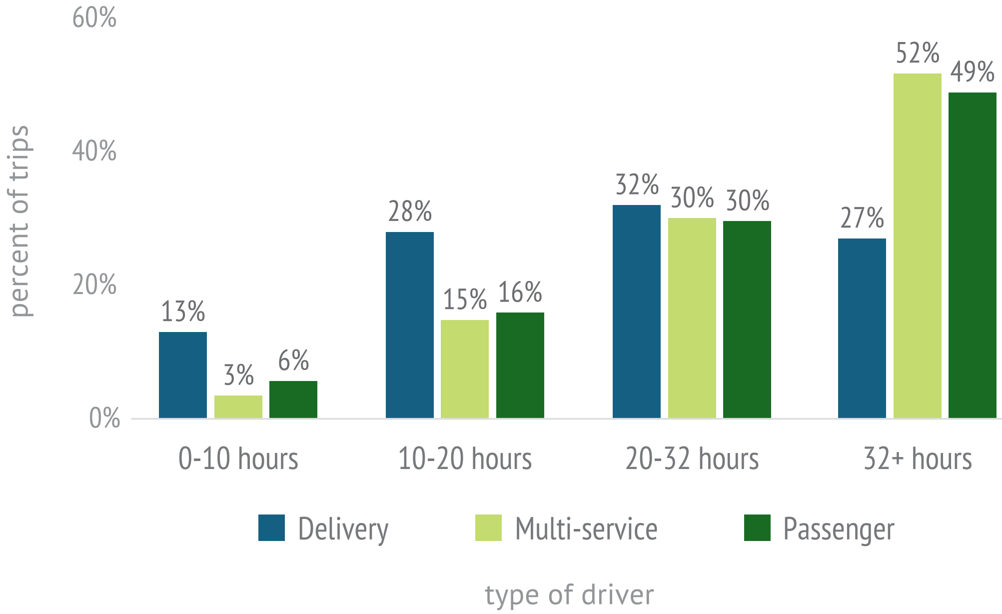
38 Higher gasoline taxes and stricter air pollution standards result in fuel costs in California that are considerably higher than in the rest of the U.S. Using California's gasoline prices would add about 88 cents per hour to our estimate of driving expenses for passenger drivers and half that for delivery drivers.

most of the multi-app work involved driving for more than one platform but in only one of the two services (delivery or transportation). In other words, many drivers work for more than one platform, but not for more than one service.

4.2 Working hours

Of the 30,100 trips in our non-DoorDash sample, full-time drivers (32 hours or more) accounted for 42 percent. Passenger drivers were more likely (26 percent) to work full time than delivery drivers (12 percent). As Figure 1 shows, full-time transportation drivers accounted for 49 percent of all passenger trips, while full-time delivery drivers accounted for 27 percent of delivery trips. Passenger drivers tend to drive during morning and afternoon rush hours and on weekday evenings; delivery drivers tend to drive during evening meal hours.

Figure 1. Distribution of trips by hours worked



4.3 P1 time and miles

Time spent between rides or deliveries constitutes a major component of the work of passenger and delivery drivers. During P1 the drivers provide an essential service to the company—making themselves available on short notice for passenger rides or deliveries. If drivers spend considerable time waiting between pickups, or driving back to where they are more likely to get the next trip, net earnings per hour will be much lower than if they are able to transition from one trip to the next with only small gaps in between.

While the importance of P1 time has been studied extensively for passenger drivers, little is known about P1 times among delivery drivers. Our data on both passenger and delivery trips allow us to provide a more comprehensive picture of P1 times and miles spent by gig drivers.

Table 1. P1 times and miles for delivery and passenger drivers

	P1 time (% of shift time)		P1 miles (% of shift miles)	
	Mean	Median	Mean	Median
Delivery				
California	29.9	35.3	47.2	46.2
Outside of California	27.8	28.2	52.4	53.2
Passenger				
California	30.1	27.6	31.3	28.7
Outside of California	31.2	29.0	36.3	34.7

The large share of P1 miles directly affects drivers' net earnings, as drivers receive no compensation for time and expenses incurred between trips. As Table 1 shows, average P1 times are about 30 percent among delivery and passenger drivers. However, P1 accounts for a higher average share of miles driven by delivery drivers, about 50 percent, compared to about 33 percent among passenger drivers. The higher mean P1 share of miles for delivery drivers suggests that consumers are more likely to order from nearby restaurants. Delivery drivers therefore typically return to the same nearby restaurant locations, where they have greater opportunities for another delivery pickup.

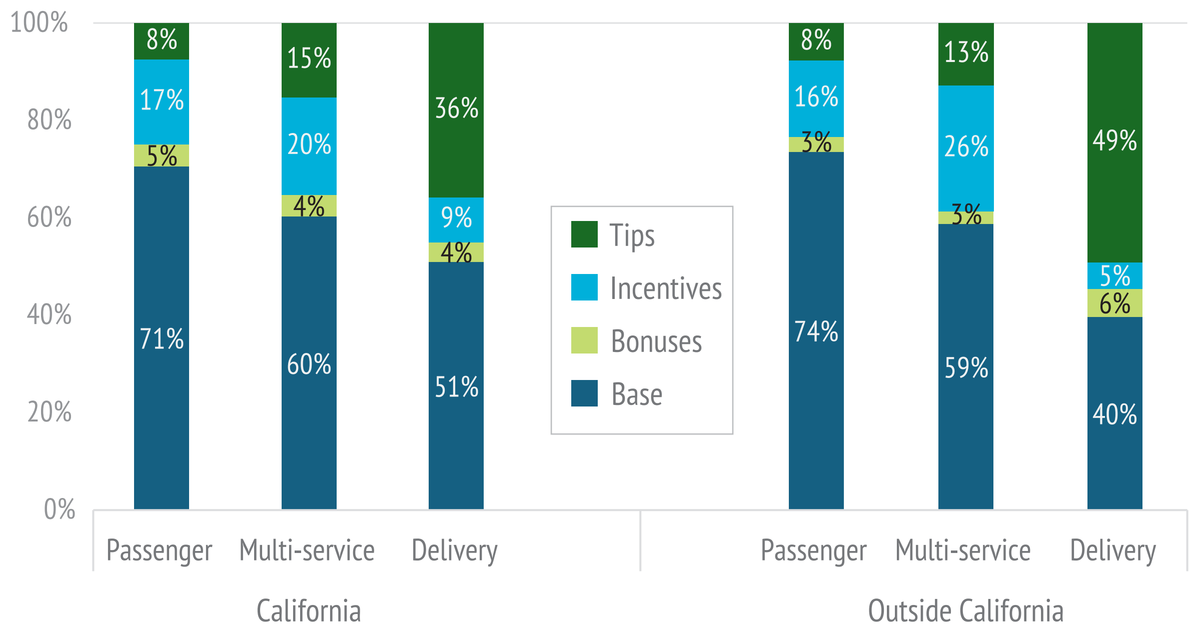
5. Driver earnings

In this section, we begin our analysis of driver earnings by examining the components of gross pay. We then examine gross hourly earnings in P23 time and gross hourly earnings in shift (P1+P2+P3) time. After presenting our analysis of driver expenses, we provide estimates of the first of our two preferred pay concepts—driver net pay per shift hour. We end with our second preferred pay concept, employee-equivalent net pay per shift hour.

5.1 Components of gross earnings

We begin our analysis of driver earnings by discussing gross earnings, which includes base pay, bonuses, incentives, tips, and Proposition 22 adjustment payments to drivers who earn below the Proposition 22 standard. Base pay accounts for between 40 and 74 percent of driver earnings, depending on the service and location (Figure 2). Among passenger drivers, bonuses (including Proposition 22 adjustments) accounted for 20 percent of earnings in California, and 17 percent outside of California, reflecting the Proposition 22 adjustments. Tips make up a much higher share of income for delivery drivers than for passenger drivers, in California and even more so outside of California.[39]

Figure 2. Components of driver compensation



5.2 Gross hourly earnings per P23 time

Table 2 presents median gross hourly earnings for P23 time. The typical (median) California delivery worker grossed $19.37 per engaged hour without tips and $31.35 with tips. Tips thus comprised more than one-third (38%) of delivery worker gross

39 Proposition 22 sets a minimum earnings standard for P23 time. The rate is set at 120 percent of the relevant minimum wage, and 30 cents a mile in the initial year, with a small cost of living adjustment over time.

earnings. Delivery workers outside California earned somewhat less: $13.16 per engaged hour without tips and $28.23 with tips. Outside California, delivery workers' tips constituted over half of gross earnings (53%). In contrast to delivery companies, tips only make up only 7 percent (not shown) of passenger drivers' gross income.

The typical California passenger driver earned $32.22 per P23 hour without tips and $35.62 with tips. Passenger drivers outside of California earned somewhat more: $35.80 without tips and $37.89 with tips.

Table 2. Median gross hourly earnings for P23 time

	Delivery			Passenger		
	Without tips	With tips	Tip amount	Without tips	With tips	Tip amount
California	$19.37	$31.35	$11.98 (38%)	$32.22	$35.62	$3.4 (9.5%)
Outside California	$13.16	$28.23	$15.07 (53%)	$35.80	$37.98	$2.18 (5.7%)

Our estimates of gross earnings are comparable to amounts posted recently by Uber. The company reported median gross earnings—combined for California passenger and delivery drivers—of $33.00 including tips per P3 hour in the fourth quarter of 2023.[40] Factoring in P2 time to make an apples-to-apples comparison, the equivalent gross earnings for P23 time is $29.20.[41] The company-reported data is therefore about 10 percent lower than $32.02, our estimated median gross earnings including tips for P23 time among California delivery and passenger drivers combined (not shown).

5.3 Gross earnings, total work time

We next examine gross earnings for the entire time a driver is available for gigs, including waiting time before and between rides (P1, P2, and P3). This measure of gross earnings is necessarily smaller than gross earnings per P23 time. Delivery drivers experience very low earnings, even when they make multiple deliveries on the same trip. After factoring in all the drivers' working time, including time between rides, the typical California delivery driver grossed $13.45 without tips and $21.10 with tips (Table 3).

40 Camiel Irving and Sarfraz Maredia, "Uber Invests More than $1 Billion in Prop 22 Benefits for CA Drivers and Couriers" (Uber Newsroom, April 26, 2024), https://www.uber.com/newsroom/uber-invests-more-than-1-billion-in-prop-22-benefits-for-ca-drivers-and-couriers/.

41 This calculation assumes the median driver is a delivery worker and that P2 time equals 13 percent of combined P2 and P3 time, as we found for delivery workers.

Table 3. Median gross hourly earnings per shift time (P1-P3)

	Delivery		Passenger	
	Without tips	With tips	Without tips	With tips
California	$13.45	$21.10	$21.61	$24.07
Outside California	$8.96	$18.94	$25.41	$26.92

As Table 3 also shows, delivery drivers outside of California similarly experienced very low gross earnings: $8.96 without tips and $18.94 with tips. These estimates take into account earnings across platforms for drivers who worked on more than one app during a single shift.

Factoring in the drivers' full working time, the typical California passenger driver had gross earnings of $21.61 without tips and $24.07 with tips. The typical passenger driver outside of California had slightly higher gross earnings of $25.41 an hour without tips and $26.92 with tips.

5.4 Driver expenses

Driver expenses include vehicle operating costs (fuel, maintenance, and repair); wear and tear on the vehicle (depreciation); costs of vehicle financing, licensing, registration, fees, and insurance; smartphone contracts; and vehicle cleaning costs. To calculate expenses, we use the U.S. Internal Revenue Service (IRS) business mileage rate for early 2022 of 58.5 cents per mile. The IRS rate draws from an annual study of the costs of owning and operating an automobile, including both fixed and variable costs. The IRS rate provides the standard mileage rate for the tax deduction for business vehicle use.

Gig companies argue that only variable costs (that is, the operating costs) should determine drivers' expenses, since the drivers would have owned the same vehicle and been subject to all other fixed vehicle expenses whether or not they engaged in gig driving. Proposition 22, for example, set the initial mileage reimbursement rate at 30 cents per mile, a little more than half the IRS rate.

Yet our data show that most trips are not carried out by incidental drivers using the family car for a few gig trips a week. The vast majority of trips are conducted by drivers working 20 or more hours a week (see Figure 1). Delivery drivers are less likely to work full time than passenger drivers, but those who work over 20 hours a week still account for 59 percent of the delivery trips in our data. Drivers who drive 20 hours a week will put 10,000 to 20,000 miles on their vehicle in a year. Passenger drivers need to have a new or relatively recent vehicle in good physical condition, and typically replace their vehicle every three to five years.

Table 4. Median miles driven and expenses for each shift hour

	Miles		Expenses	
	Delivery	Passenger	Delivery	Passenger
California	12.8	24.2	$7.44	$14.03
Outside California	13.1	20.1	$7.60	$11.68

Later in this paper, we calculate employee-equivalent earnings for delivery drivers using both the IRS mileage rate and the 30 cents a mile rate favored by the gig companies.

5.5 Driver net earnings

To estimate drivers' net earnings, we take into account base pay, bonuses, tips, and mileage expenses. This calculation involves subtracting the expenses incurred for each driver over the two-week period from gross earnings and then dividing that amount by the total hours the driver worked. To compute expenses, we multiply the miles driven per working hour by 58.5 cents. We calculate driver earnings with and without tips. We display these results in Table 5.

Excluding tips, the median net hourly earnings of delivery drivers equaled $5.93 in California and $0.48 outside California. Adding tips brings the typical delivery driver's net earnings to $13.62 an hour in California and $9.87 outside California.

Table 5. Median net hourly earnings per total shift time

	Delivery		Passenger	
	Without tips	With tips	Without tips	With tips
California	$5.93	$13.62	$7.12	$9.09
Outside California	$0.48	$9.87	$10.64	$12.94

5.6 Employee-equivalent earnings

Since the companies treat the drivers as independent contractors, it is informative to assess their earnings on an employee-equivalent basis. Unlike the case for W-2 employers, gig companies do not pay Social Security, Medicare, or unemployment insurance contributions for their drivers. Under Proposition 22 in California, the companies provide some coverage for injuries on the job, but at a much lower level of coverage than state-provided workers' compensation. Unlike employers, gig companies also do not pay for rest breaks, and, except in Washington State, they do not pay for paid sick leave. To compare drivers' earnings with employee-equivalent earnings, we account for the value of each benefit, based on each state's policies. We display these results in Table 6.

Table 6. Value of mandated benefits and employee-equivalent wage minimums

A	B	C	D	E	F	G	H	I
	Minimum wage Feb 2022	UI tax percent	Paid sick time percent	Rest breaks percent	Workers' comp percent	Payroll taxes percent	Total percent	Employee-equivalent minimum wage (B x H) + B
Boston	$14.25	1.58	3.33	NA	3.35	7.65	15.91	$16.52
Chicago	$15.00	2.62	2.50	NA	3.85	7.65	16.62	$17.49
Los Angeles	$15.00	0.94	3.33	4.17	3.06	7.65	19.15	$17.87
San Francisco Bay Area	$15.00-$16.32	0.94	3.33	4.17	3.06	7.65	19.15	$19.58
Seattle	$17.27	1.73	NA	4.17	NA	7.65	13.55	$19.61

Notes:

Unemployment insurance: Average UI tax rate on taxable wages for NAICS 4183, taxi and limousine services for 2022 Q1-3, standardized to an average of $24,000 in taxable wages.

Paid sick leave: CA and MA: 1 hour for each 30 hours worked. IL: 1 hour for each 40 hours worked. WA requires gig companies to provide paid sick leave.

Rest breaks: Not required in MA or IL. CA and WA: 10 minutes every 240 minutes of work = 4.17 percent.

Workers' compensation: CA: WCIRB pure premium rate September 2021 for taxicab operations (7365) + 15 percent administration; assumes company-provided insurance at half the value of workers' compensation. MA: WCRIB 2022 rate for Taxicab Co (7370). IL: Median between high and low rates for Taxi-Limo (7370). WA requires gig companies to provide workers' compensation.

On a net (after expenses and without tips) employee-equivalent basis, which adjusts for gig drivers' treatment as independent contractors by the app companies, the typical delivery driver outside of California earned the equivalent of a $0.40 an hour excluding tips and $8.36 an hour with tips (Table 7). In California, the typical delivery driver earned the equivalent of a $4.98 an hour wage without tips, and $11.43 with tips.

Median earnings for passenger drivers outside of California equaled an employee-equivalent wage of $9.18 without tips and $11.14 with tips. In California, the typical passenger driver earned an employe-equivalent wage of $5.97 an hour without tips, and $7.63 with tips.

Table 7. Median employee-equivalent earnings

	Delivery		Passenger	
	Without tips	With tips	Without tips	With tips
California	$4.98	$11.43	$5.97	$7.63
Outside California	$0.40	$8.36	$9.18	$11.14

Note: Expenses calculated at 58.5 cents a mile

To determine the share of drivers earning less than the employee-equivalent minimum wage, we use the employee-equivalent minimum wage from Table 6. To calculate the share of drivers earning above or below the minimum wage, we exclude tips in Los Angeles, the San Francisco Bay Area, and Seattle; these states do not permit tip credits in determining minimum wage compliance. We include tips for drivers in Boston and Chicago, which allow tip credits.

Overall, we find that a majority of delivery drivers and passenger drivers in California and across the other three metro areas earned less than the employee-equivalent applicable minimum wage.

As we discussed above, for these calculations we use the IRS mileage rate, which includes the full cost of owning and operating a vehicle. Table 8 displays our results for delivery drivers using the lower gig companies' reimbursement rate of 30 cents a mile in California. We estimate median net earnings for delivery drivers of $9.53 without tips and $17.12 with tips. Median employee-equivalent earnings equaled $8.00 without tips and $14.37 with tips.

Table 8. Median earnings, delivery drivers (expenses at 30 cents per mile)

CALIFORNIA			
Net earnings		Employee-equivalent earnings	
Without tips	With tips	Without tips	With tips
$9.53	$17.12	$8.00	$14.37

When we use the companies' preferred mileage rate, we again find that the majority of delivery and passenger drivers still earned less than the equivalent local minimum wage.

6. Income adjustments mandated by California Proposition 22

We examine here income adjustments mandated by Proposition 22 in California. Proposition 22 set a minimum earnings standard using P23 time only, expenses of 30 cents a mile (adjusted annually for inflation), and a minimum of 120 percent of the relevant minimum wage, which in California in 2022 ranged from $15 in Los Angeles to $16.32 in San Francisco. The proposition explicitly excluded tips for the computation of the minimum payment.

Drivers who earn less than the minimum payment are supposed to receive adjustments from the companies, known as "true-up payments," to make up the difference. Three companies in the Gridwise data clearly identify such adjustments: DoorDash, Uber, and Uber Eats. Sixty-six percent of DoorDash drivers, 47 percent of Uber Eats drivers, and 5 percent of Uber drivers received payments identified as Proposition 22 adjustments. For those drivers who received adjustments, the average payment for the two-week period was $93.93 for delivery drivers and $187.33 for Uber drivers.[42]

Proposition 22 adjustments increased the average pay of Uber drivers by $1.34 an hour. Even with the adjustments, however, passenger drivers in California earned less than their counterparts outside California.

42 While we have incentive data from Instacart, Lyft, and Grubhub, it was not possible to isolate the Proposition 22 payments for their drivers from other incentive payments.

The adjustments raised Uber Eats drivers' gross earnings by an average of $3.34 an hour. According to delivery drivers, tips fell in California after the passage of Proposition 22.[43] This decline likely results from the addition of a "Driver Benefit Fee" for deliveries in California, which the delivery companies added when the law went into effect. Uber Eats fees ranged from 99 cents per delivery in Los Angeles to $2 in San Francisco; Grubhub set a fee of $1.50 per delivery throughout the state.[44]

The typical passenger driver in California earned an employee-equivalent wage that was $3.07 an hour more (including tips) than the typical driver outside of California. Nonetheless, median employee-equivalent earnings in California were well below the state or local minimum wage.

Due to limitations with the Gridwise data, we are not able to reliably measure whether the gig companies complied fully with the rules of Proposition 22.[45] This question needs better data and further research.[46]

7. Conclusions

This study is the first, to our knowledge, to analyze the earnings of gig drivers on both passenger and delivery platforms. We find that while many drivers use more than one app over a two-week period, multi-apping during the same shift is less common. Most drivers work for only one service: passenger or delivery. Since a quarter to a third of drivers' earnings comes from bonuses, drivers have a strong incentive to maximize working with a single app.

Pay for gig drivers rarely exceeds the employee-equivalent local minimum wage. Most non-casual drivers would be better off if they were classified as employees, rather than as independent contractors.

43 Ken Jacobs, Sergio Avedian, Ride Share Guy, Telephone interview, March 25, 2024.

44 Carolyn Said, "Here's What You're Paying for Proposition 22," San Francisco Chronicle, January 19, 2021, https://www.sfchronicle.com/business/article/Here-s-what-you-re-paying-for-Prop-22-15870617.php.

45 The limitation results from the fact that the data includes overlapping trips. While P2-P3 time can be easily accounted for, we cannot estimate P2-P2 miles with the precision needed to determine compliance. This issue does not affect our estimates of expenses per shift, since the data on driver shifts provides unduplicated miles for the shift period.

46 Screenshots posted by drivers on driver message boards suggest that many drivers cannot easily determine, from the data provided by the companies, whether the companies are complying with the Proposition 22 guarantees.

During the 2020 election campaign for Proposition 22, the company-led consortium of platform companies that placed the proposition on the ballot claimed it would raise the minimum pay of gig drivers. Among the companies that clearly labeled their Proposition 22 pay guarantee adjustments in the Gridwise data, 48 percent of the delivery drivers and a small share of passenger drivers (5 percent) received Proposition 22 payments. Even so, California passenger drivers' earnings were lower than the earnings of passenger drivers in other states.

The Proposition 22 adjustments did increase the earnings of California delivery drivers above those in other states. Nonetheless, the typical California delivery driver earned well below the employee-equivalent minimum wage. Proposition 22-like policies that are being proposed in other states are unlikely to bring drivers' earnings up to their minimum wage.

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