

On-demand and on-the-edge: Ride hailing and Delivery workers in San Francisco

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This study was commissioned by the San Francisco Local Agency Formation Commission, with the goal of obtaining a representative labor survey of on-demand workers in the emerging mobility services sector (e.g. ride-hailing, delivery), to help the City better understand this workforce and determine whether the labor policies of emerging mobility companies align with the City's labor principle, namely that they "ensure fairness in pay and labor policies and practices". The team selected for the study, and the authors of this report, are a unique partnership between academic researchers, community organizers, and an innovative platform cooperative. Funding for the full study was provided by a range of additional partners, including the San Francisco Foundation, ReWork the Bay (formerly the Bay Area Workforce Funders Collaborative), the Ford Foundation, the Annie E. Casey Foundation, and the Chavez Family Foundation. We would like to thank and acknowledge the contributions of: Bryan Goebel, SF LAFCo Executive Officer, for his partnership, guidance, and feedback on this study at every step of the way; Three graduate students at UC Santa Cruz, Sarah Mason, Ankit Sharma and Yi-Chen Liu, for their dedicated assistance in research and data analysis; our team of 18 surveyors led by Jobs with Justice San Francisco Field Manager Andrea Prebys-Williams; and our team of 10 pilot phase surveyors and 2 focus group co-facilitators, led by Jobs with Justice San Francisco survey manager Peter Estes.

Executive Summary

The coronavirus crisis has made visible a range of essential workers—grocery store workers, cleaning staff, home health aides and others—who in normal times are often ignored or taken for granted. One category of these essential workers that has gained particular attention in this moment are on-demand meal and grocery delivery workers. Working for well-known companies like DoorDash, GrubHub and Instacart, these workers are delivering essential food and other supplies to people staying at home in the midst of the shelter-in-place orders. The jump in demand for these services highlights how important these on-demand services are in the midst of our collective efforts to maintaining physical distancing to limit the spread of COVID-19.

Yet these on-demand food delivery workers, along with on-demand ride-hailing who fill a similar role in providing transportation services to other essential workers right now, are tremendously vulnerable. In providing these services, both before and during the shelter-in-place orders, they are vulnerable both to contracting and spreading the coronavirus. Their health vulnerability underscores their financial vulnerability, as prior to the virus outbreak, they were already struggling to make ends meet. Being classified by the on-demand platform companies as independent contractors, they are also particularly susceptible to not having

health insurance, paid sick leave, or access to unemployment benefits.

In May, we released the results of a unique, in-person representative survey of ride-hailing and food delivery workers that we conducted and then suspended when the pandemic hit, as well as a follow-up online survey. The central findings were simple and clear—for a large portion of this workforce, despite this being full-time work, they were financially vulnerable before the outbreak, and the crisis is pushing many of them to the brink.

Now we have new data from a second in-person representative survey we conducted in July and August, focusing on food and grocery delivery workers from three apps: DoorDash (114 surveys completed), Instacart (114) and Amazon Fresh (39).

One note about methodology. Both surveys were designed to be representative samples of on-demand *work* being done in the city, not of all on-demand *workers*. This is important. Representative samples of all *people* who do some work for on-demand app companies show many people working for short periods of time, or earning only a small portion of their earnings from this type of work. But we developed two representative samples based on the actual work being done in the city, which we believe is a better basis for understanding labor practices and developing labor market policy. Our understanding is that this is the first study of its kind done anywhere in the United States at this scale.

The key findings emerging from the new summer survey focused on DoorDash, Instacart and Amazon Fresh include the following:

Highly diverse workforce

As with the winter survey, we found that this workforce is highly racially and ethnically diverse:

- 76% of those surveyed are people of color, and 39% immigrants
- Women and non-gender binary people perform 39% of the food and grocery delivery work, including a slight majority of Instacart work. Our survey of ride-hailing workers was much more male-dominated.

Financially struggling

All three surveys we've conducted of this workforce continues to reveal how they are struggling to make ends meet. According to the latest survey:

- One quarter of this workforce is reliant on some form of public assistance, including 35% of Amazon Fresh and 33% of DoorDash workers. This public assistance includes Temporary Assistance for Needy Families (TANF), food stamps, housing vouchers, Supplemental Security Income or the Supplemental Nutrition Program for Women, Infants and Children (WIC).
- One fifth of these food and grocery delivery workers are on food stamps.
- 14% do not have health insurance

Not a gig for most people

As with our winter survey, our latest survey continues to reveal that app-based delivery work is largely being performed by full time workers.

- 71% obtain at least three quarters of their monthly income from platform work, and 57% rely entirely on platform work for their monthly income.
- Workers averaged 32 hours per week working for all the apps, and 30 hours per week for the app they were surveyed on. Instacart workers were more likely to work longer hours.
- Nearly one third are supporting children through their platform work.
- While there was more longevity among ride-hailing and food delivery workers prior to COVID, our latest survey found that 70% of food and grocery delivery workers have worked on the apps for less than six months.

Earnings from app-based work are low

Our latest survey continues to find that after expenses, earnings from app-based delivery work are very low.

- While workers average \$450 from this work, after adjusting for mileage expenses, they average only \$270 per week.
- Instacart workers had the highest average weekly earnings of the apps surveyed (\$500); yet after expenses, those earnings dropped below the other apps to just \$235 per week.
- Nearly one third of workers' time spent performing food and grocery delivery work is unpaid time (e.g. driving to the pick-up location, waiting for orders).
- 18% of DoorDash workers earned an estimated \$0 after deducting mileage expenses (calculated using Internal Revenue Service mileage reimbursement rate of \$.575 cents per mile and the survey respondents' estimated weekly mileage).

Platform companies structure job opportunities

Some of the survey findings point to platforms managing job opportunities in ways that would likely support claims that these workers are employees under the "ABC" test codified in California Assembly Bill 5.

- When workers decline certain job offers, 56% are not offered work for a period of time, including 60% from Amazon Fresh, 63% of DoorDash, and 51% of Instacart.
- 25% of DoorDash workers were offered fewer bonuses and incentives after declining work.
- 17% of workers were threatened with deactivation by those apps.

Bicycle delivery a popular but dangerous mode of travel

- More than a quarter of this workforce uses a bicycle as their primary mode of travel for deliveries.
- 70% feel unsafe delivering food this way, and almost one third stated that they had felt physically threatened while delivering food on a bike.

Summary and policy implications of combined results from winter and summer 2020 surveys

- On-demand ride-hailing and delivery work in San Francisco is performed predominantly by people for whom it is close to full-time work and their primary source of income.

- This is a highly diverse workforce, with majority of people of color and a significant immigrant population. Women also comprise a large percentage of food and grocery delivery workers.
- This workforce struggles to make ends meet, and their circumstances have been made significantly worse by the COVID-19 crisis.
- When expenses and both unpaid and paid work time are fully accounted for, a substantial portion of this workforce are estimated to make less than the equivalent of San Francisco's minimum wage (currently \$15.59 hour).
- Many also don't receive other benefits they would be entitled to under San Francisco law if the companies were classifying them as employees.
- Many are also not currently being adequately supported during the COVID-19 crisis, either by the app-based companies they work for, or by public policies.
- These findings underscore the importance of policy makers ensuring that existing city and state employment laws are enforced for this workforce, and finding new ways to address the economic, safety and health, and public health concerns facing this critical workforce.