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

Chris Benner, *UC Santa Cruz*

with

Erin Johansson, *Jobs with Justice Education Fund*
Kung Feng, *Jobs with Justice San Francisco*
Hays Witt, *Drivers Seat Cooperative*

May 5, 2020

UC SANTA CRUZ | Institute for **Social Transformation**
INQUIRY WITH IMPACT

Acknowledgements

In addition to our funders, 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*
- *Our team of 10 pilot phase surveyors and 2 focus group co-facilitators, led by Jobs with Justice San Francisco survey manager Peter Estes*

Institute for
Social Transformation

BACKGROUND

- Study was commissioned in 2019 by San Francisco Local Agency Formation Commission

- Request was for 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"

- 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 Collaborative), the Ford Foundation, the Annie E. Casey Foundation, and the Chavez Family Foundation

- Team selected for the study is a unique partnership between academic researchers, community organizers, and an innovative platform cooperative:

  - Chris Benner, Professor of Environmental Studies and Sociology, and Director of the Institute for Social Transformation, at UC Santa Cruz

  - Jobs with Justice San Francisco, a diverse coalition of over 30 community, faith-based, student and labor organizations

  - Jobs with Justice Education Fund, who's research department produces original research alone and in partnership with academic partners across the country

  - Driver's Seat Cooperative, an innovative start-up designed to help on-demand workers take ownership of the full spectrum of information they generate while they work.

Institute for
Social Transformation

METHODOLOGY

- **Key goal: Representative sample of on-demand _work_ being done in the city, not of all on-demand _workers_. This is important, as 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 wanted to develop a representative sample 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.**

- Survey respondents were recruited through 6 different apps, with recruitment structured to get a representative sample

  - For ride-hailing, survey recruitment varied by time of day, day of the week, and location to match known pick-up location patterns from SF County Transportation Authority data

  - For delivery, survey recruitment was conducted during peak lunch and dinner meal times, spread across 11 different SF neighborhoods

- We also pilot tested Driver's Seat Cooperative technology for collection and analysis of driver generated geo-located trip and earnings data

- Data-gathered from 2/7/2020 – 3/16/2020

- Shelter-in-place order required halting data gathering about 60% through original plan

- 643 completed surveys from six apps:
  - Uber (189), Lyft (218), DoorDash (85), GrubHub (110), Instacart (24), Shipt (17)

- Supplemental online COVID-Impact survey conducted 4/6/2020-4/21/2020, with recruitment through organized networks and closed Facebook groups
  - 219 completed surveys, from total of 11 different apps (Amazon Flex, Caviar, DoorDash, Grubhub, Instacart, Lyft, Postmates, Saucey, Shipt, Uber & UberEats)

Institute for
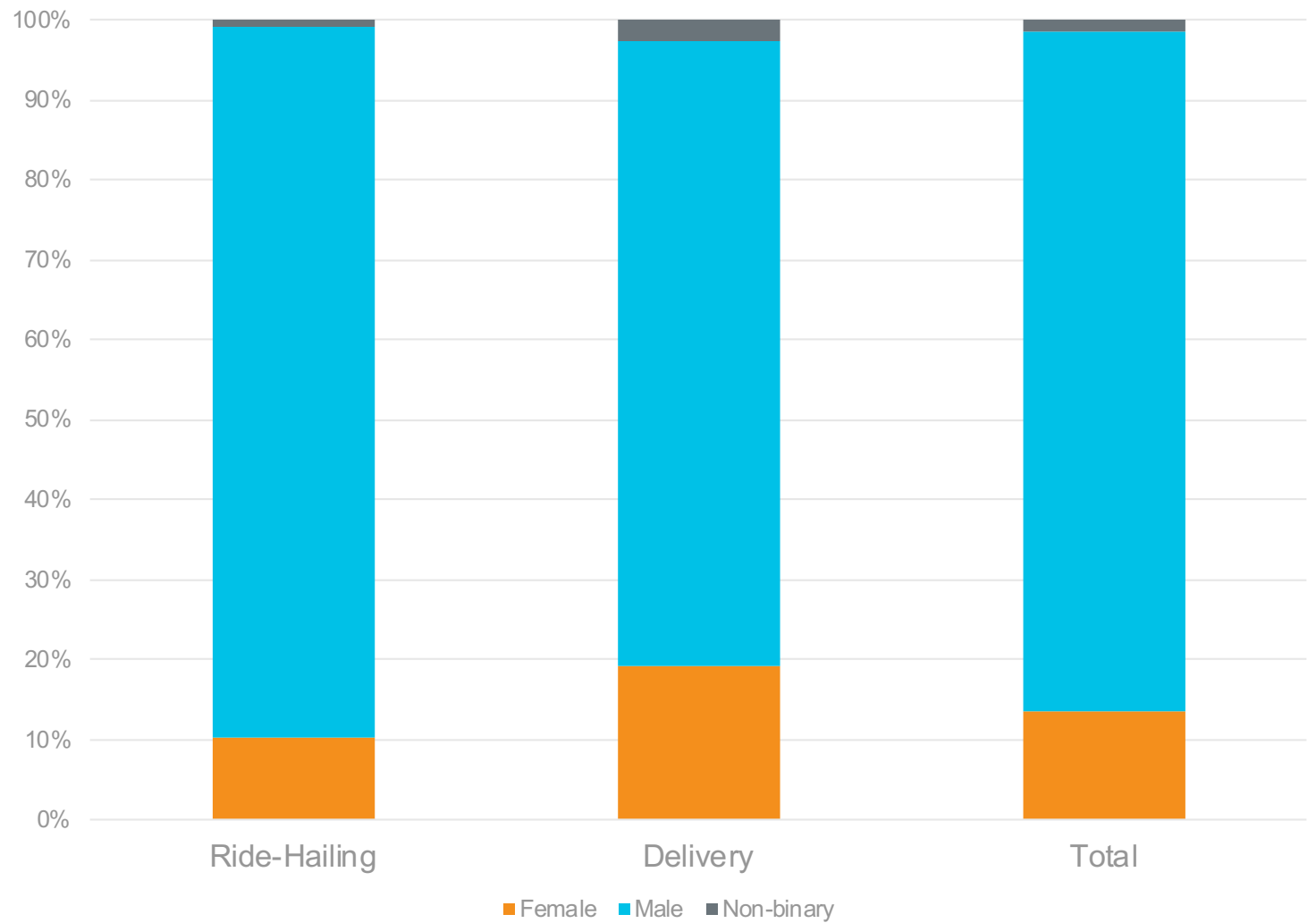Social Transformation

SURVEY FINDINGS

Diverse Workforce

- Predominantly male (86%)

- Diverse race/ethnicities:
  - 29% Asian, 23% Hispanic, 22% White, 12% Black, 13% multi-racial or other

- Majority (56%) foreign-born

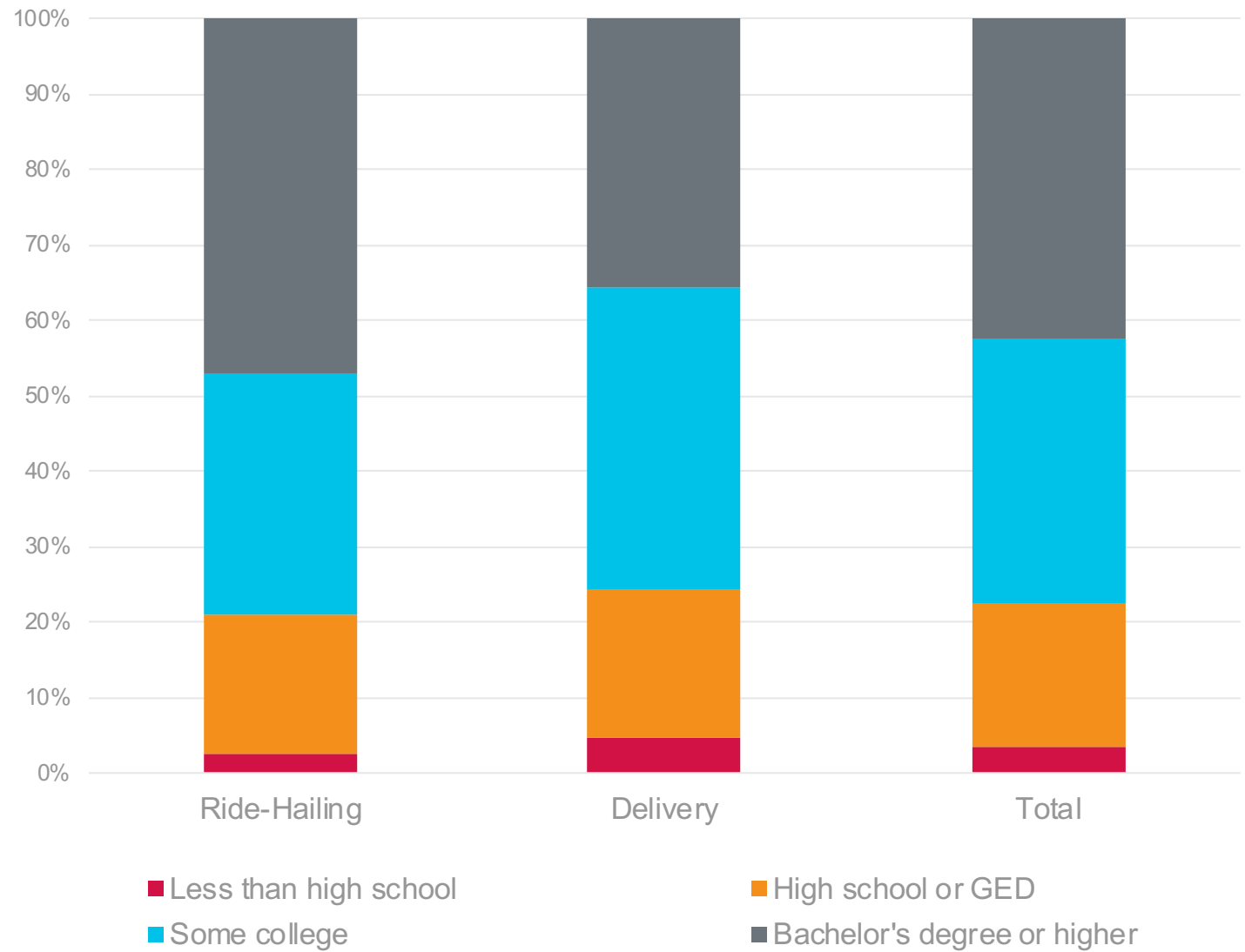- Median age is 40 in ride-hailing and 31 in delivery work

Institute for
Social Transformation

What is your highest level of education attainment:

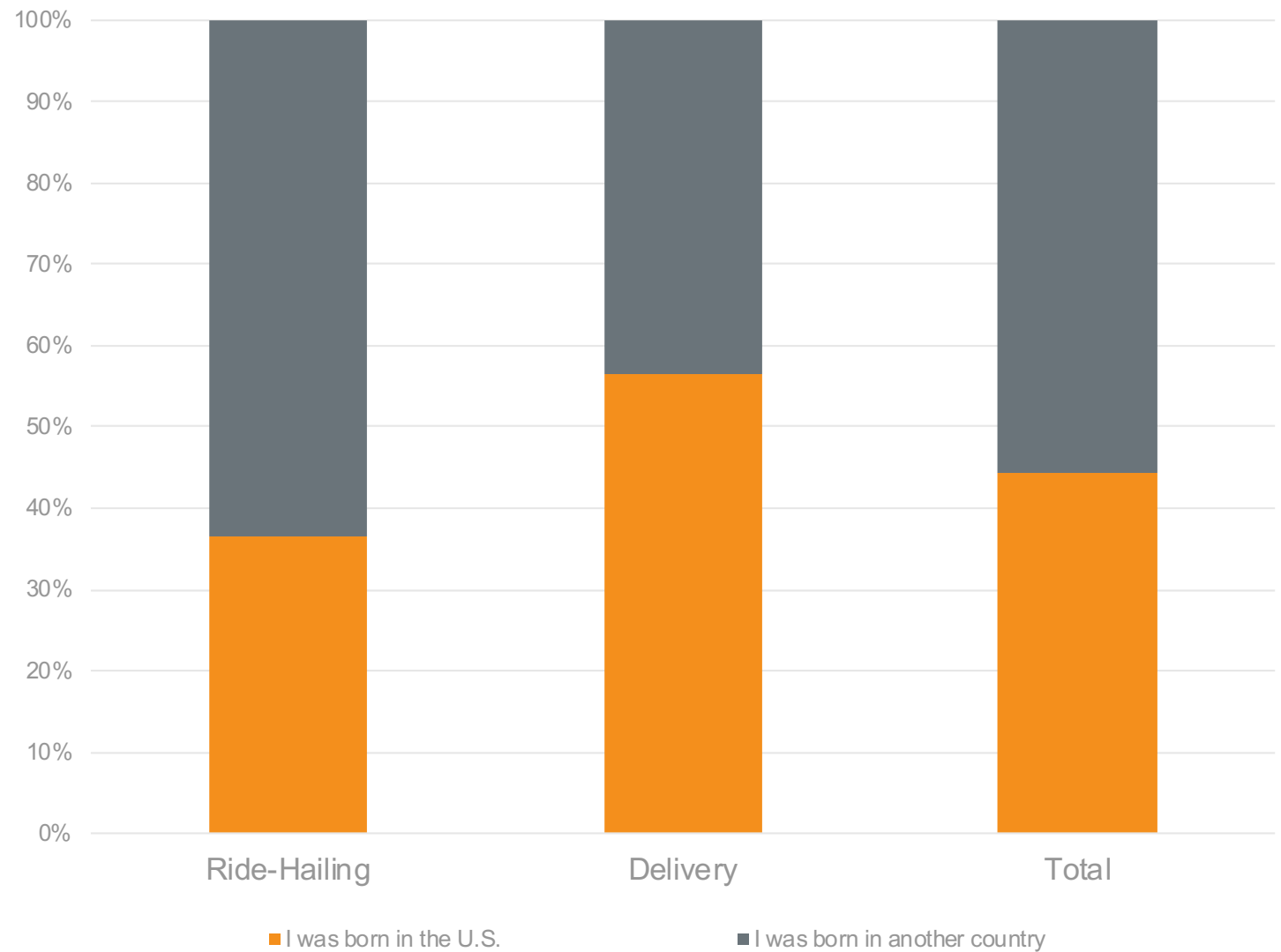Ride-Hailing | Delivery | Total

- Less than high school
- High school or GED
- Some college
- Bachelor's degree or higher

Institute for
Social Transformation

Which of the following best describes your race/ethnicity?

Institute for
Social Transformation

Age Category

Institute for
Social Transformation
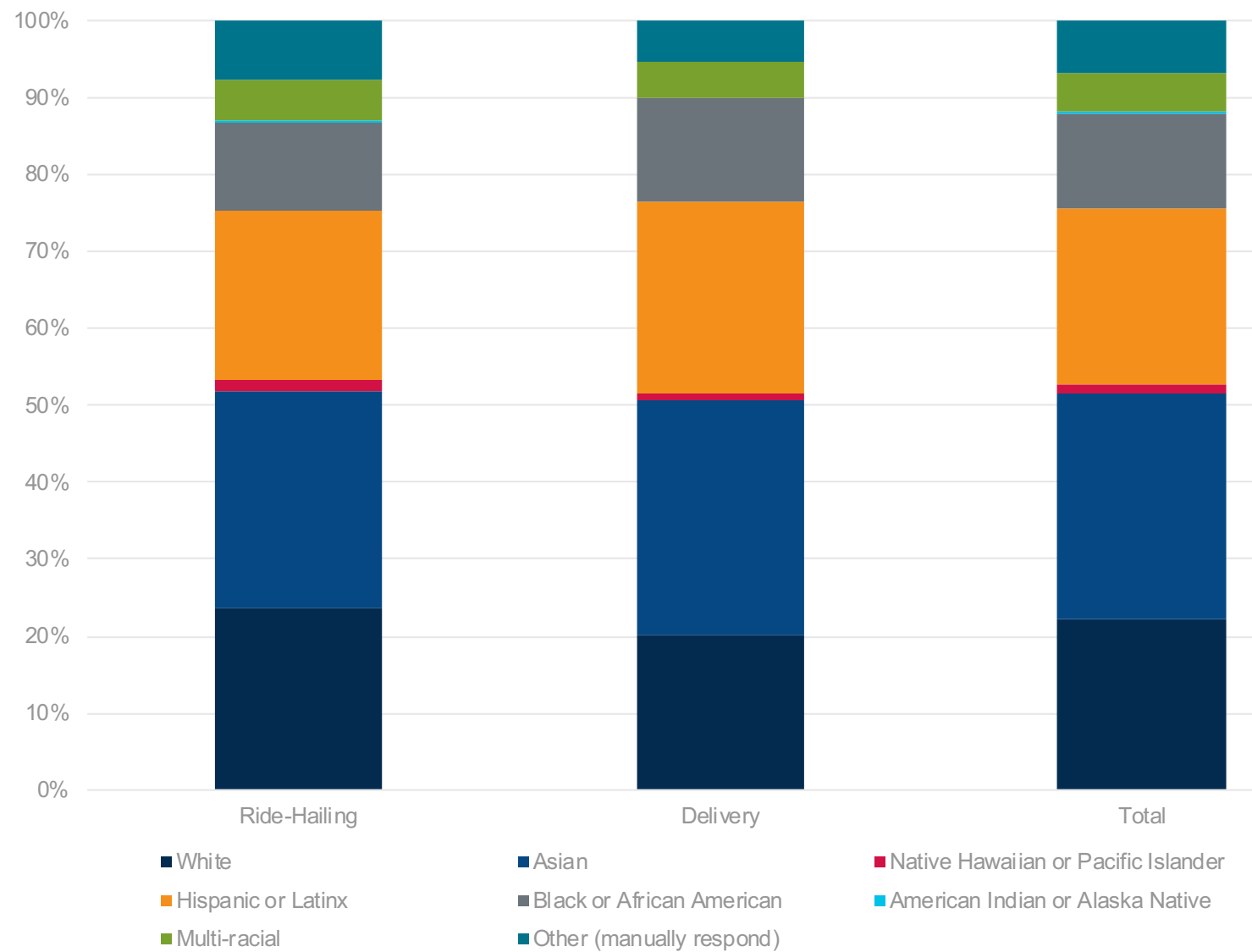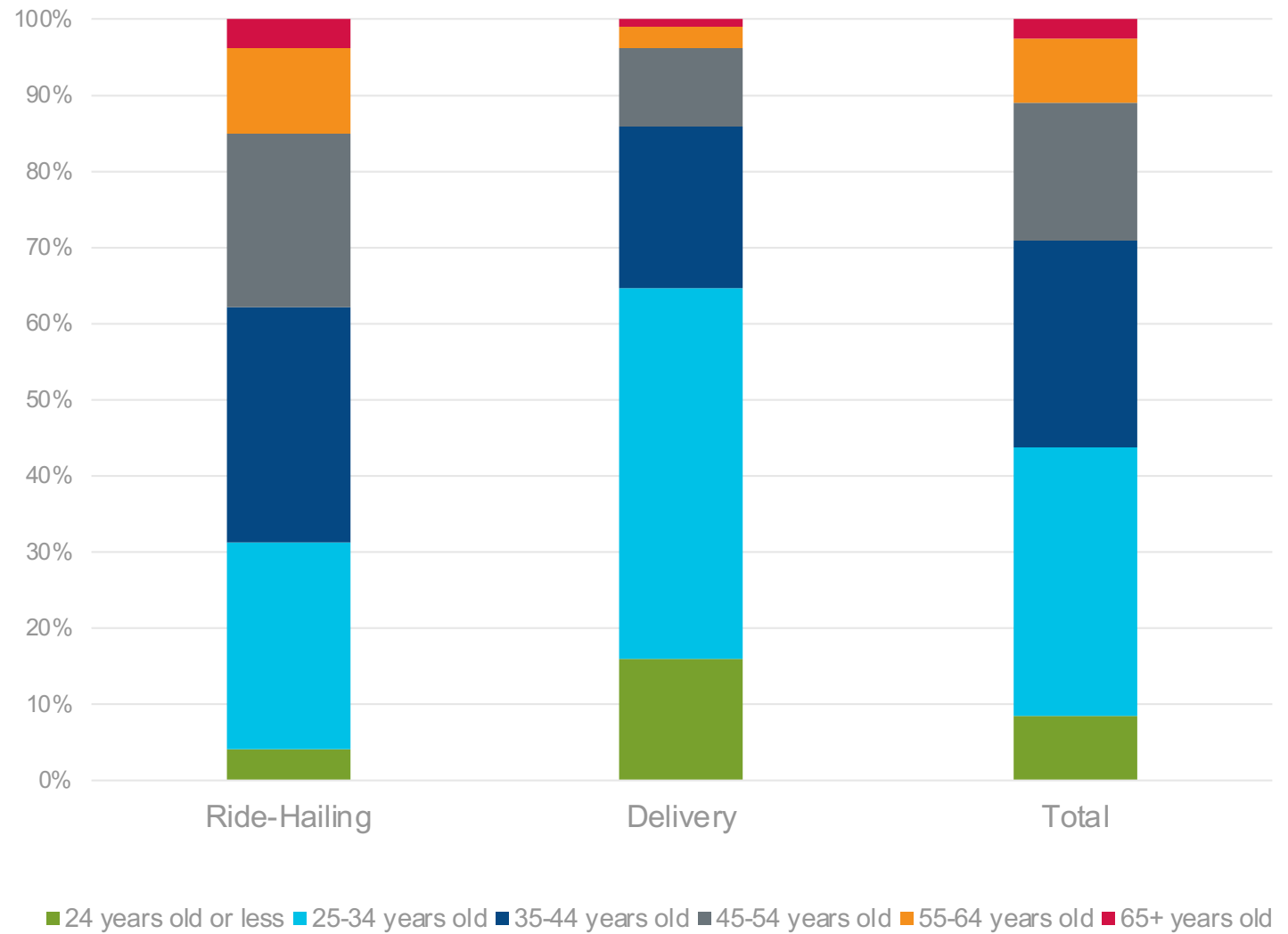
Where you born in the U.S. or another country?

What is your country of origin (for foreign-born)?

Brazil — 14%
Afghanistan — 7%
China — 6%
Mexico — 6%
Uzbekistan — 5%
Nepal — 5%
India — 5%
Philippines — 5%
El Salvador — 5%
Hong Kong — 3%
Iran — 3%
Pakistan — 3%
Peru — 2%
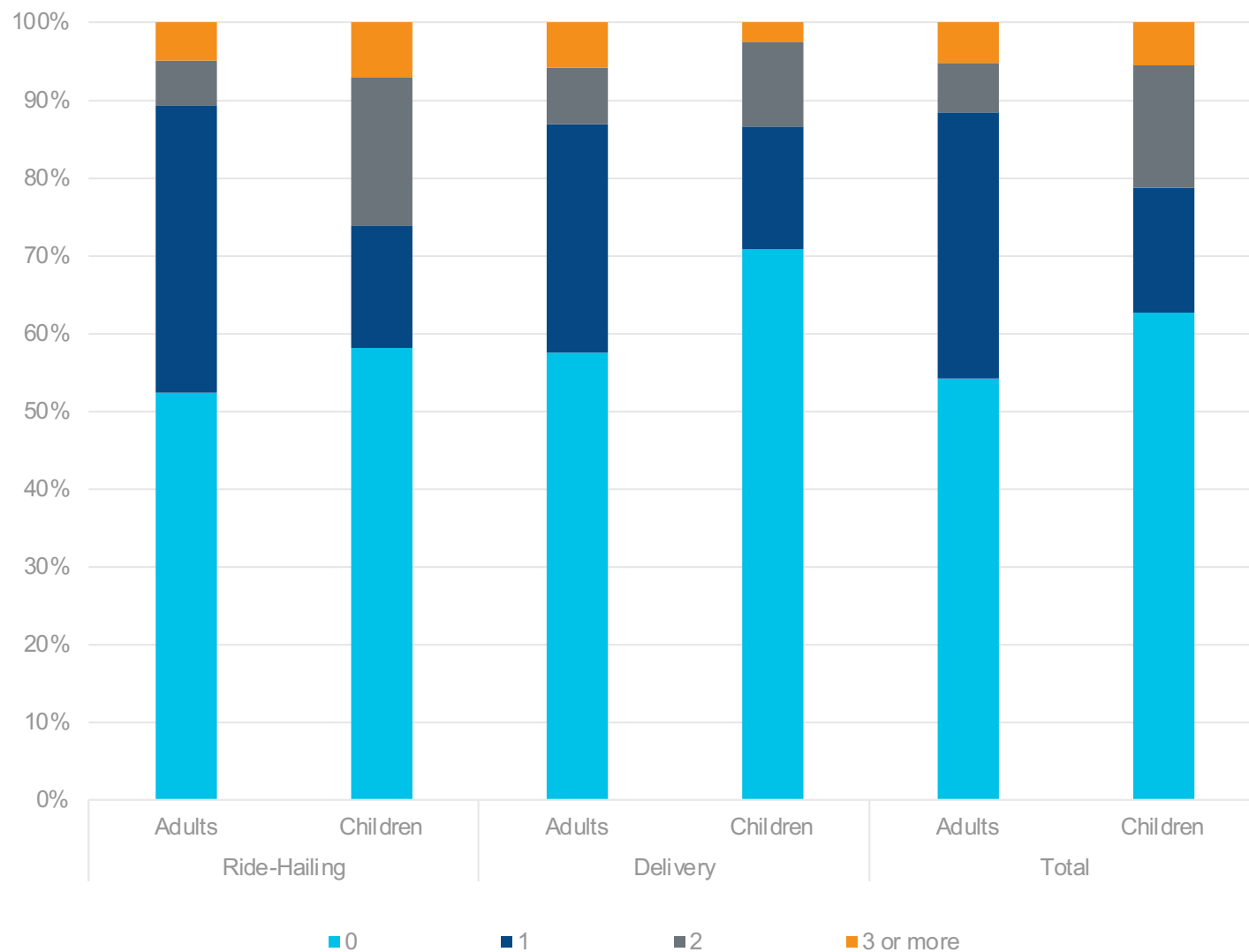South Korea — 2%
Vietnam — 2%
Other — 32%
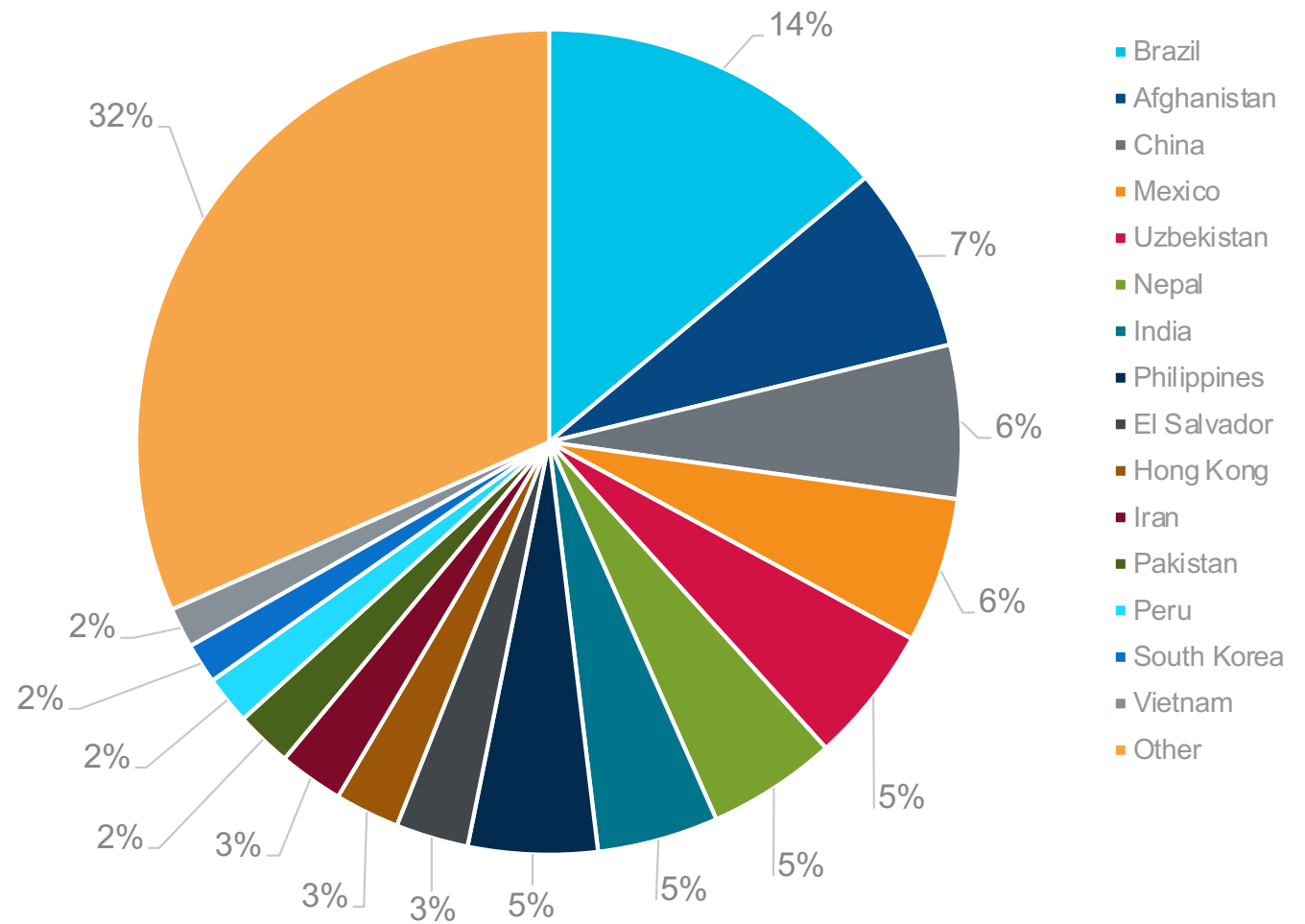
Difficult Economic Circumstances

- 46% support others with their earnings, including 33% supporting children

- 21% have no health insurance, and another 30% use public or public-access health insurance (e.g. Medi-cal, Covered CA)

- 45% couldn't handle a $400 emergency payment without borrowing

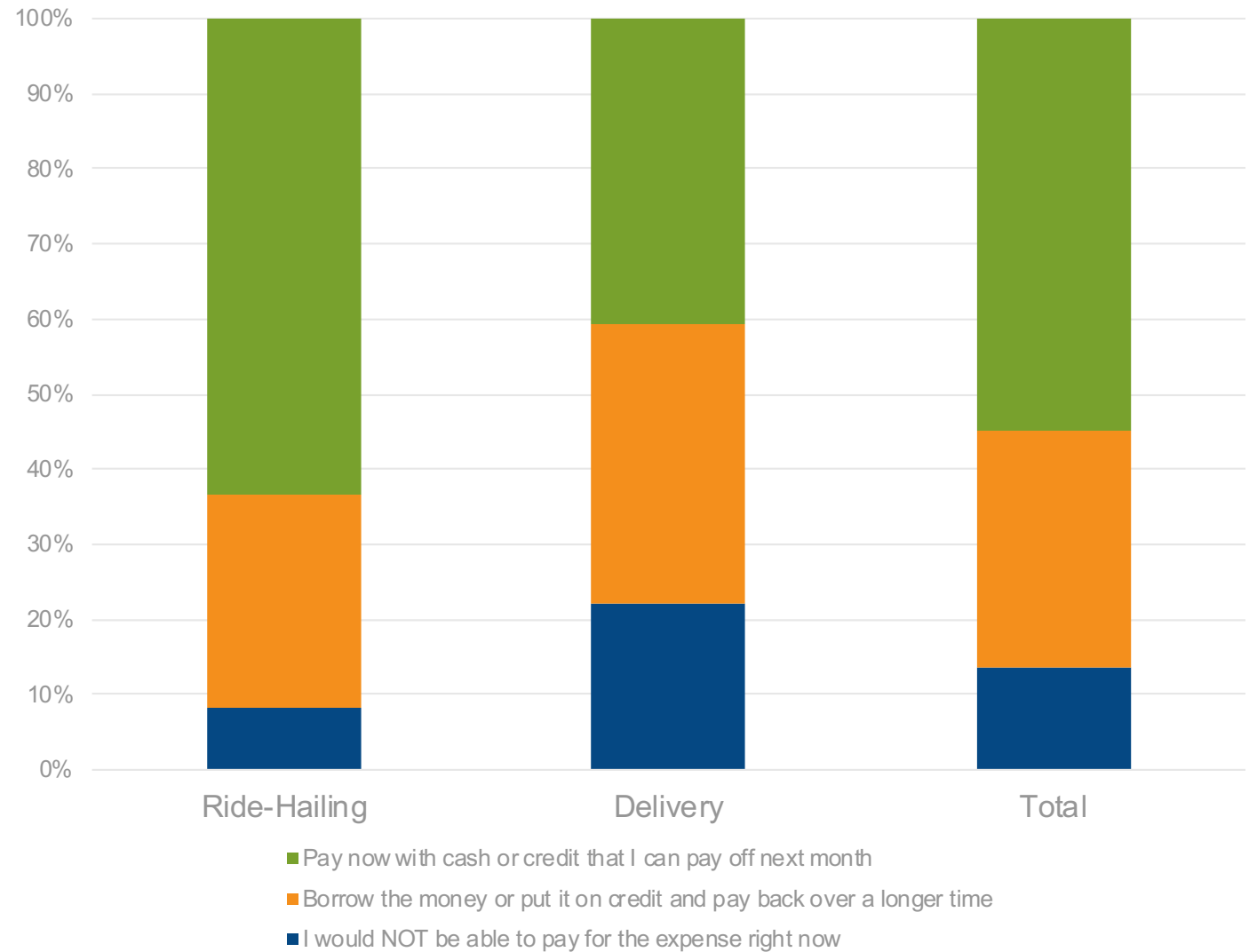- 15% receive some form of public support (e.g. food stamps, housing assistance)

How many other people do you help support with your earnings?
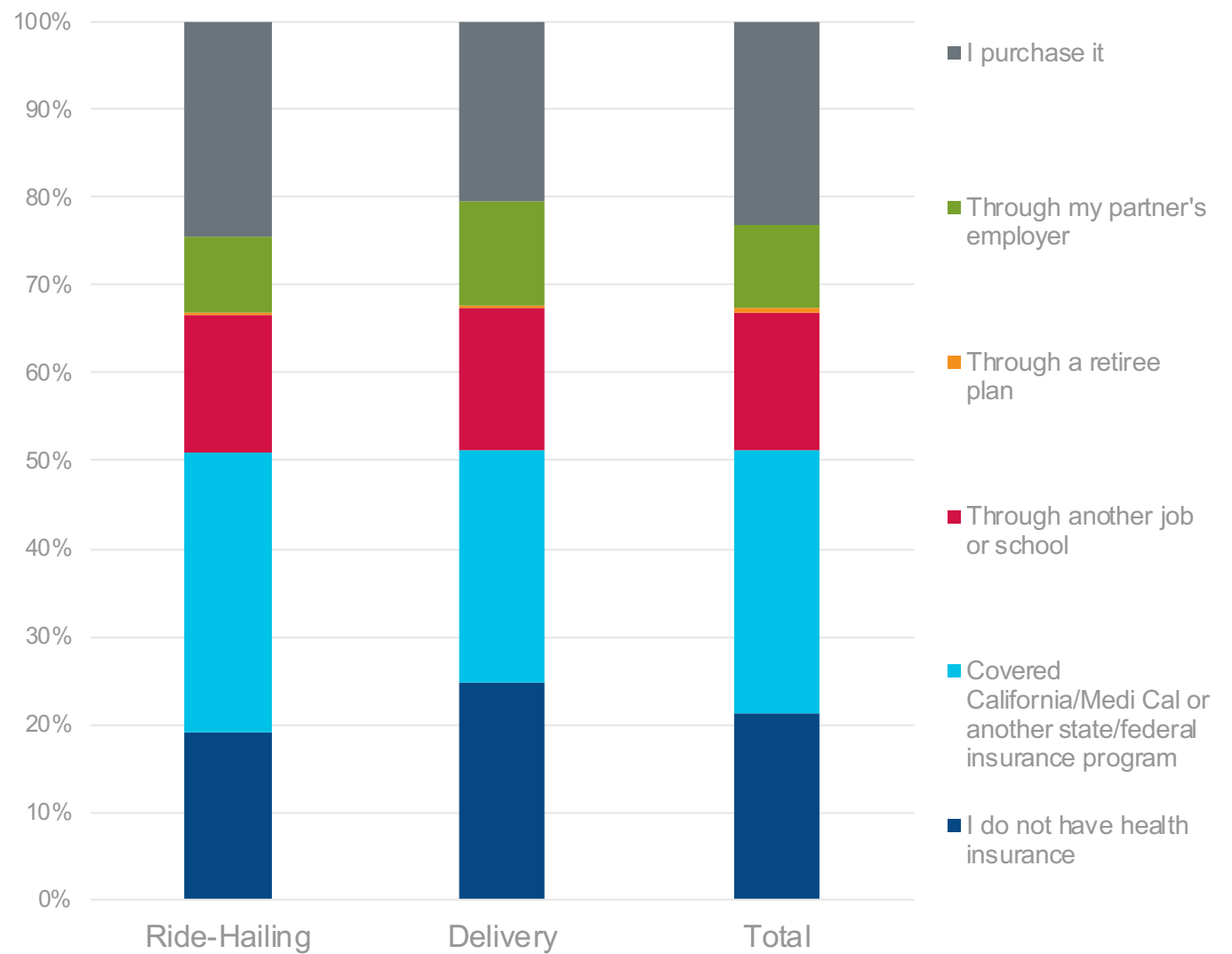
Suppose that you have an emergency expense that cost $400. Based on your current financial situation, how would you pay for this expense?

Legend:
- Pay now with cash or credit that I can pay off next month
- Borrow the money or put it on credit and pay back over a longer time
- I would NOT be able to pay for the expense right now

Categories: Ride-Hailing, Delivery, Total

Institute for Social Transformation

Percentage of survey respondents who receive different types of public assistance

Legend:
- Food Stamps (Cal Fresh/EBT)
- Housing Assistance (i.e. Section 8)
- Social Security Income (SSI)
- Women Infants and Children (WIC)
- TANF (Cal Works)
- Any form of public assistance

Institute for
Social Transformation
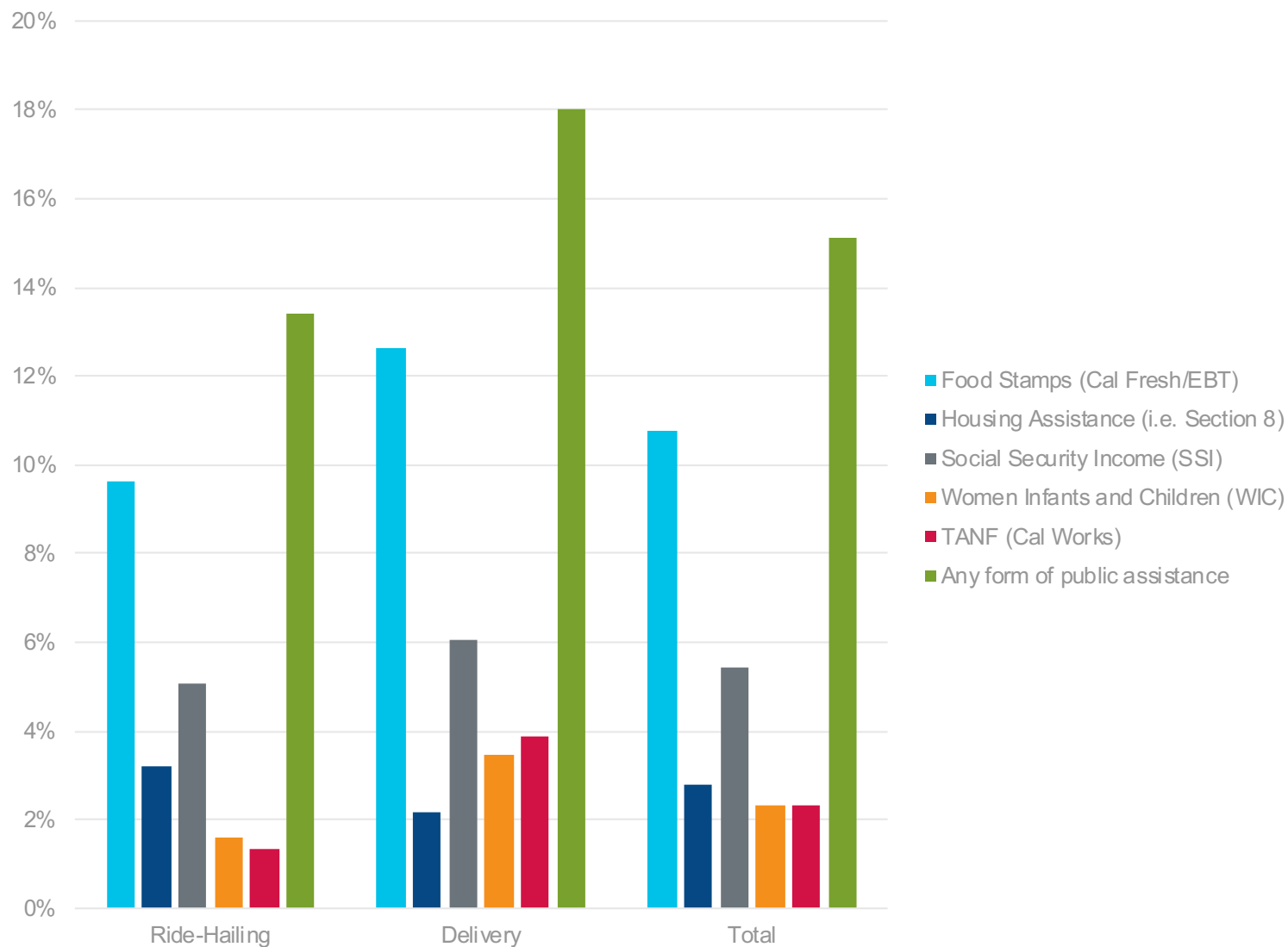
Not a gig for most

- The majority of survey respondents work full-time for platform companies

  - 71% work more than 30 hours a week, including 50% who work more than 40 hours, and 30% who work more than 50 hours

- The majority of survey respondents depend on platform work as their primary source of income
  - 53% said it was their entire income last month, another 10% said it was 75% or more of their income

- People value the flexible schedule, but also rate fair pay and predictable pay high as important job qualities they want
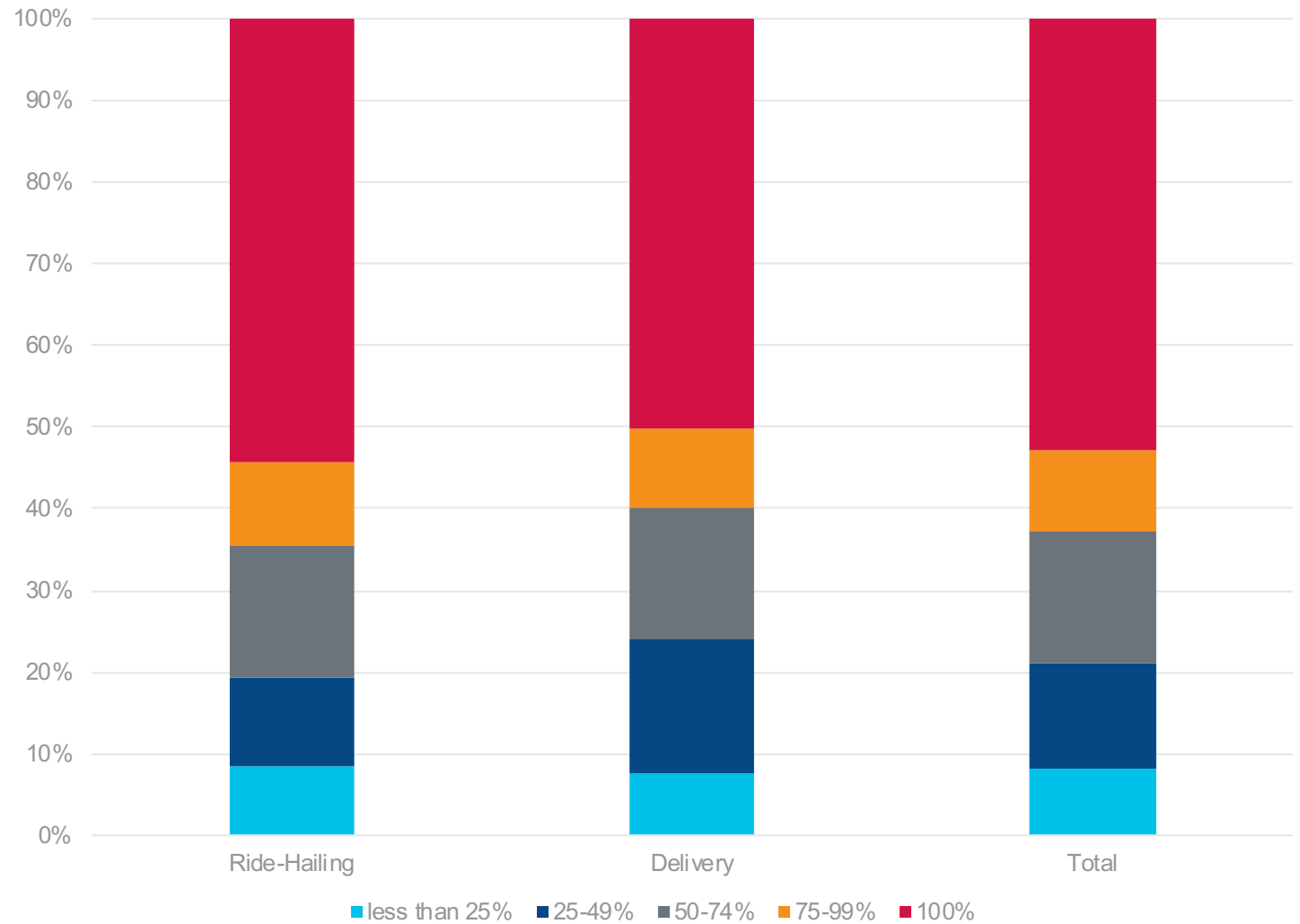
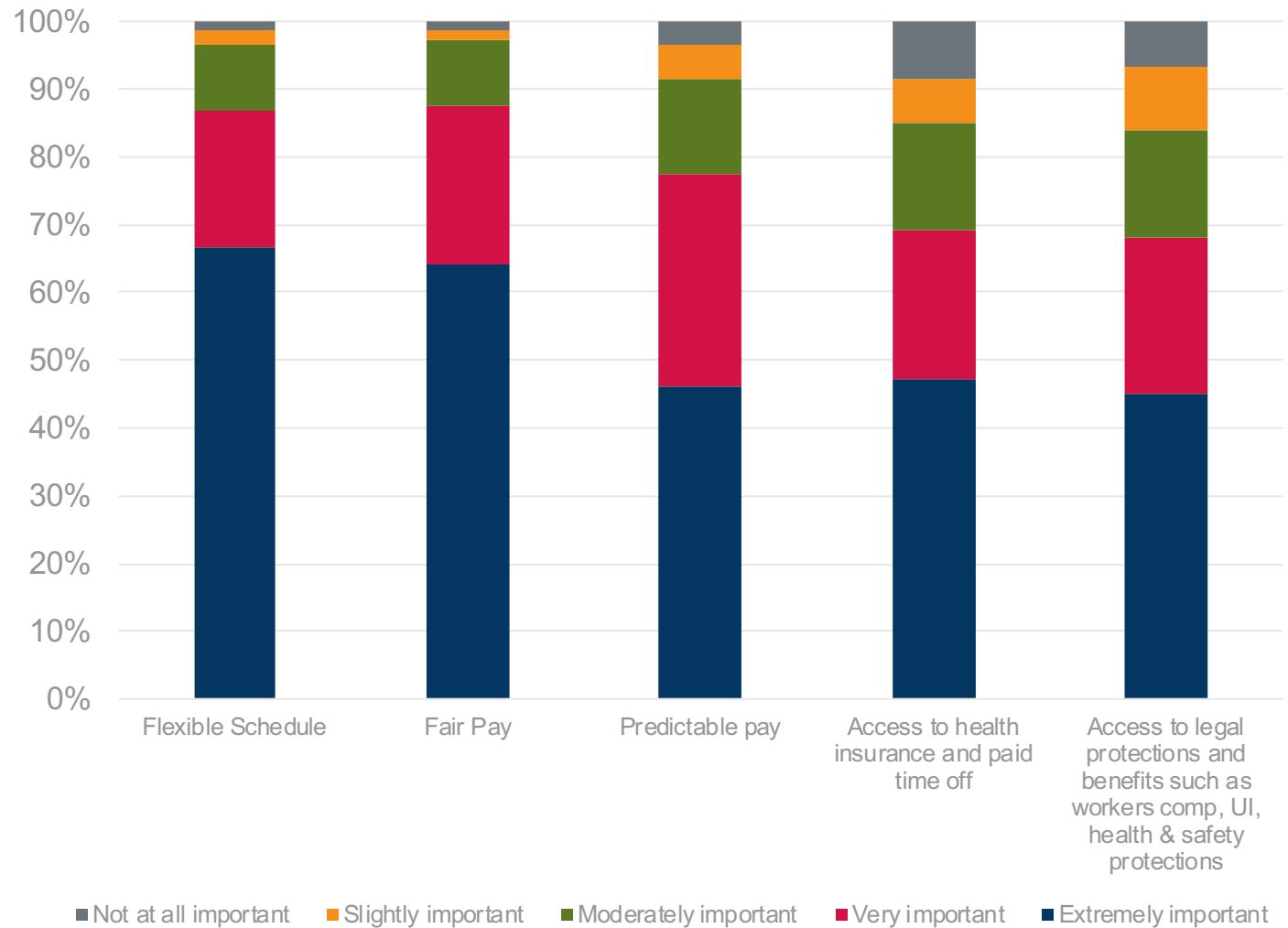Institute for
Social Transformation

How many hours per week do you work on average for all of these apps?

Institute for Social Transformation
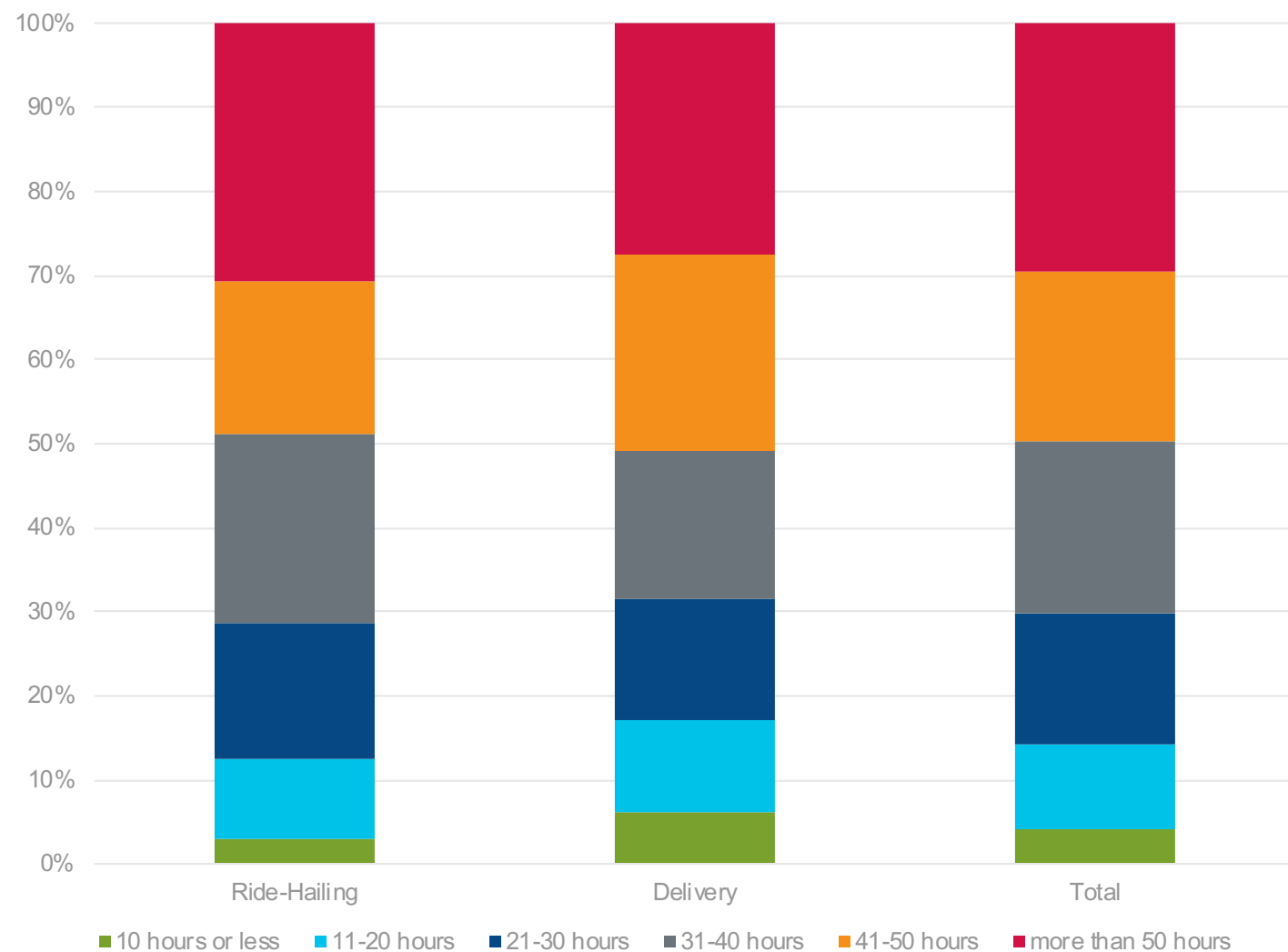
What percentage of last month's total income was from platform work?

How would you rate the following job qualities in terms of their importance to you?

Institute for Social Transformation

Legend: Not at all important · Slightly important · Moderately important · Very important · Extremely important

Categories: Flexible Schedule, Fair Pay, Predictable pay, Access to health insurance and paid time off, Access to legal protections and benefits such as workers comp, UI, health & safety protections
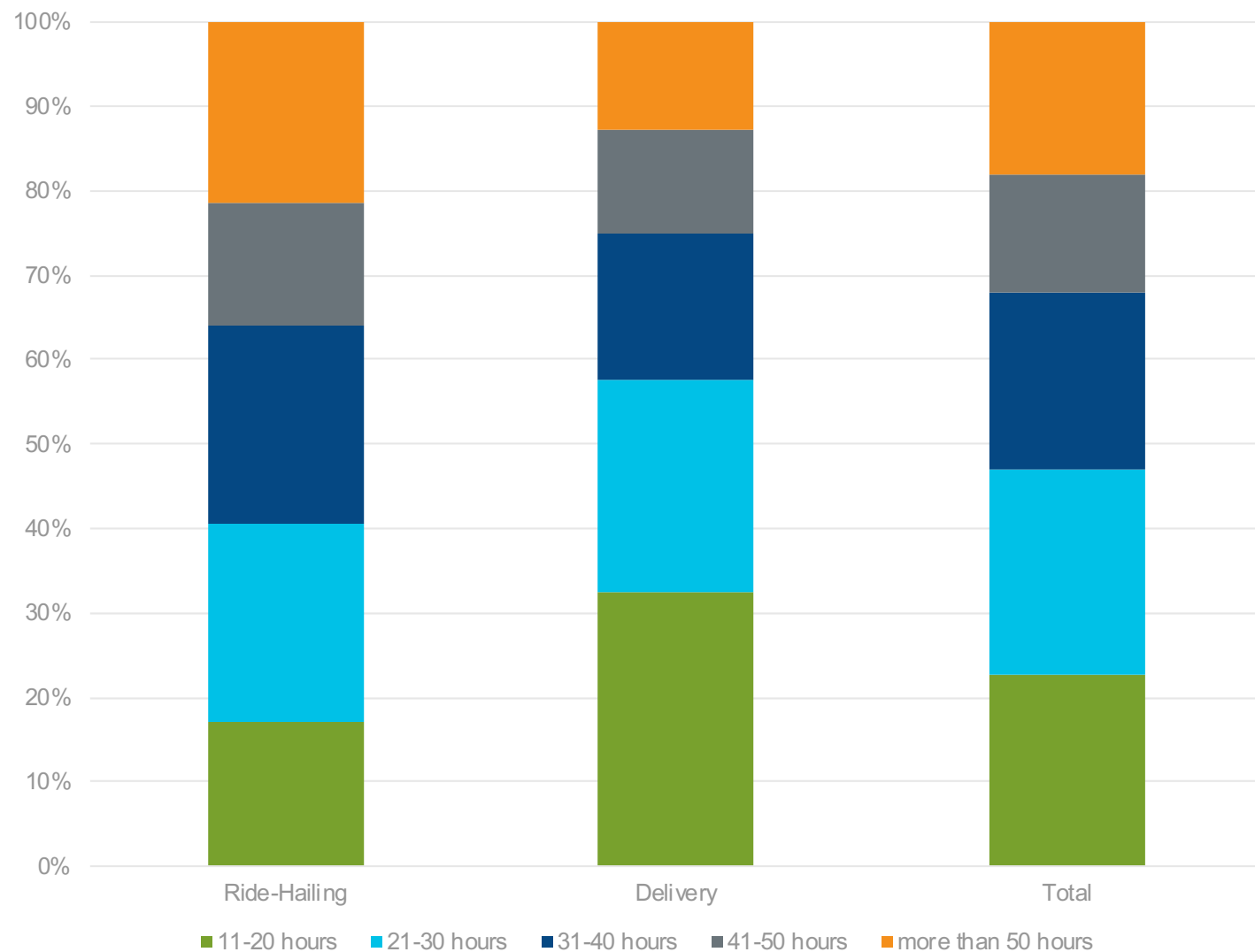
Ride-hailing drivers more established than delivery

- Of the survey respondents, ride-hailing drivers work more hours a week (38 hours) than delivery workers (32 hours)

- Ride-hailing drivers have been working for their primary app for longer than delivery drivers
  - 52% of ride-hailing drivers have been more than 2 years for their primary app, compared to 15% of delivery workers

**How many hours per week do you work on average for your current app?**
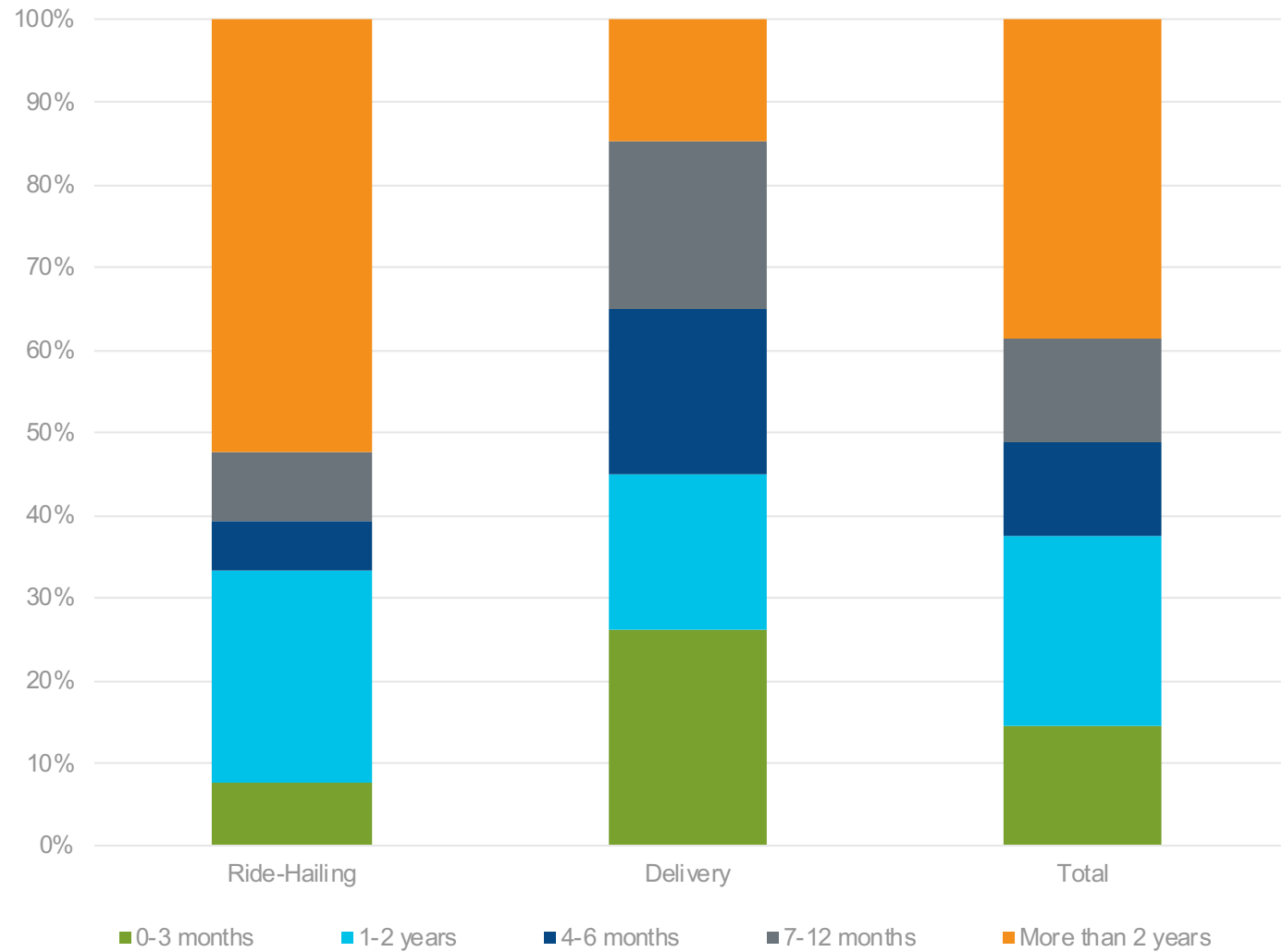
Low Earnings

- Before expenses, median earnings is $900/week for ride-hailing workers and $500 for delivery workers who responded to the survey

- Depending on how expenses are calculated, this can drop to as low as $360/week for ride-hailing workers and $224/week for delivery workers

- We estimate as much as 20% might be earning nothing when all expenses are accounted for

- Delivery workers are particularly dependent on tips, which account for 30% of their estimated earnings

- Workers also have significant amount of unpaid time, waiting for orders or driving to a pick-up location

- Workers also experience unpredictable earnings, often for reasons beyond their control, in part because some portion of their pay is due to incentives or bonuses
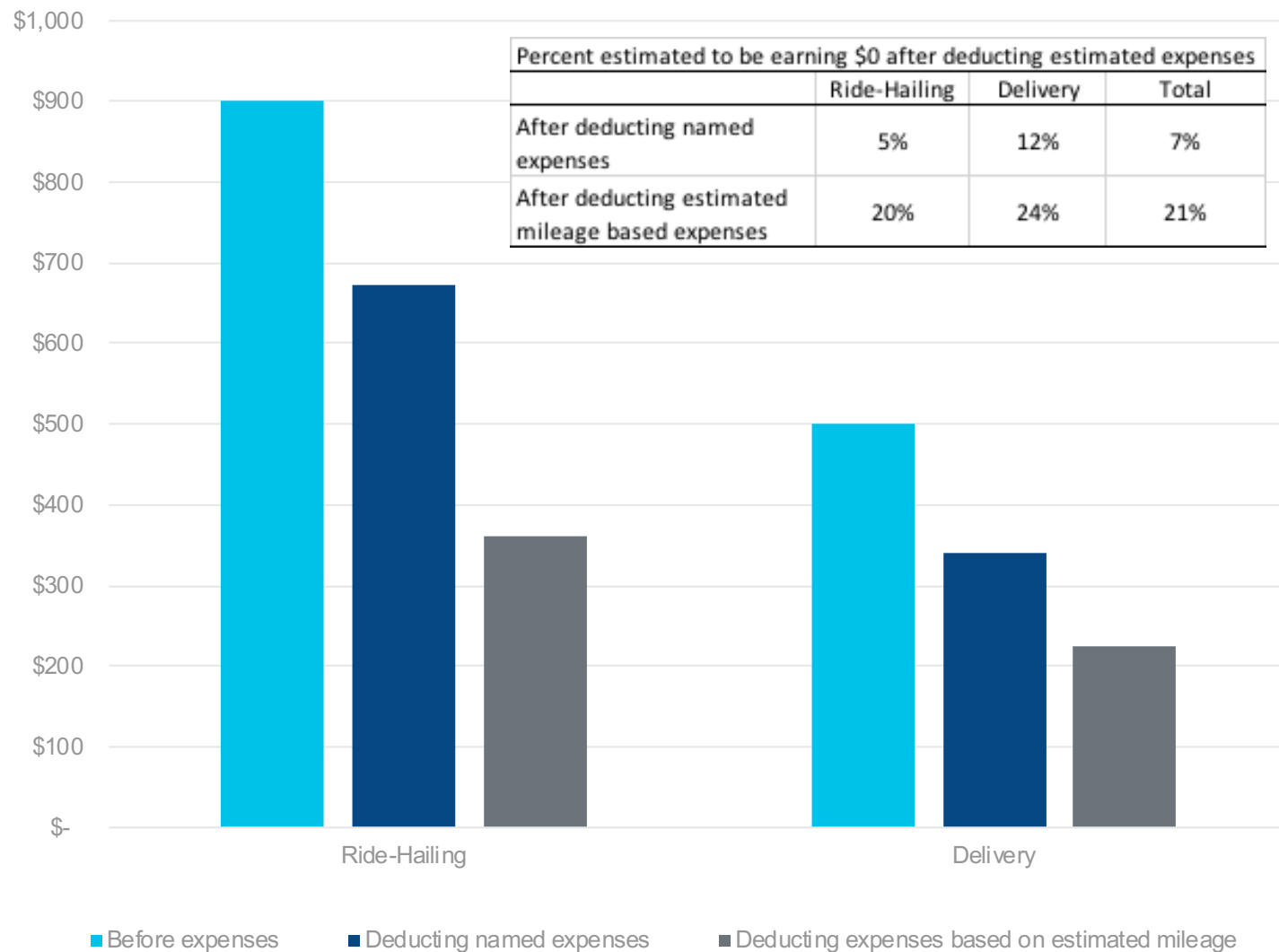
Institute for
Social Transformation

How much do you earn per week in your work for your current app, on average, including base pay, tips, bonuses, etc.? (before expenses)

Institute for Social Transformation
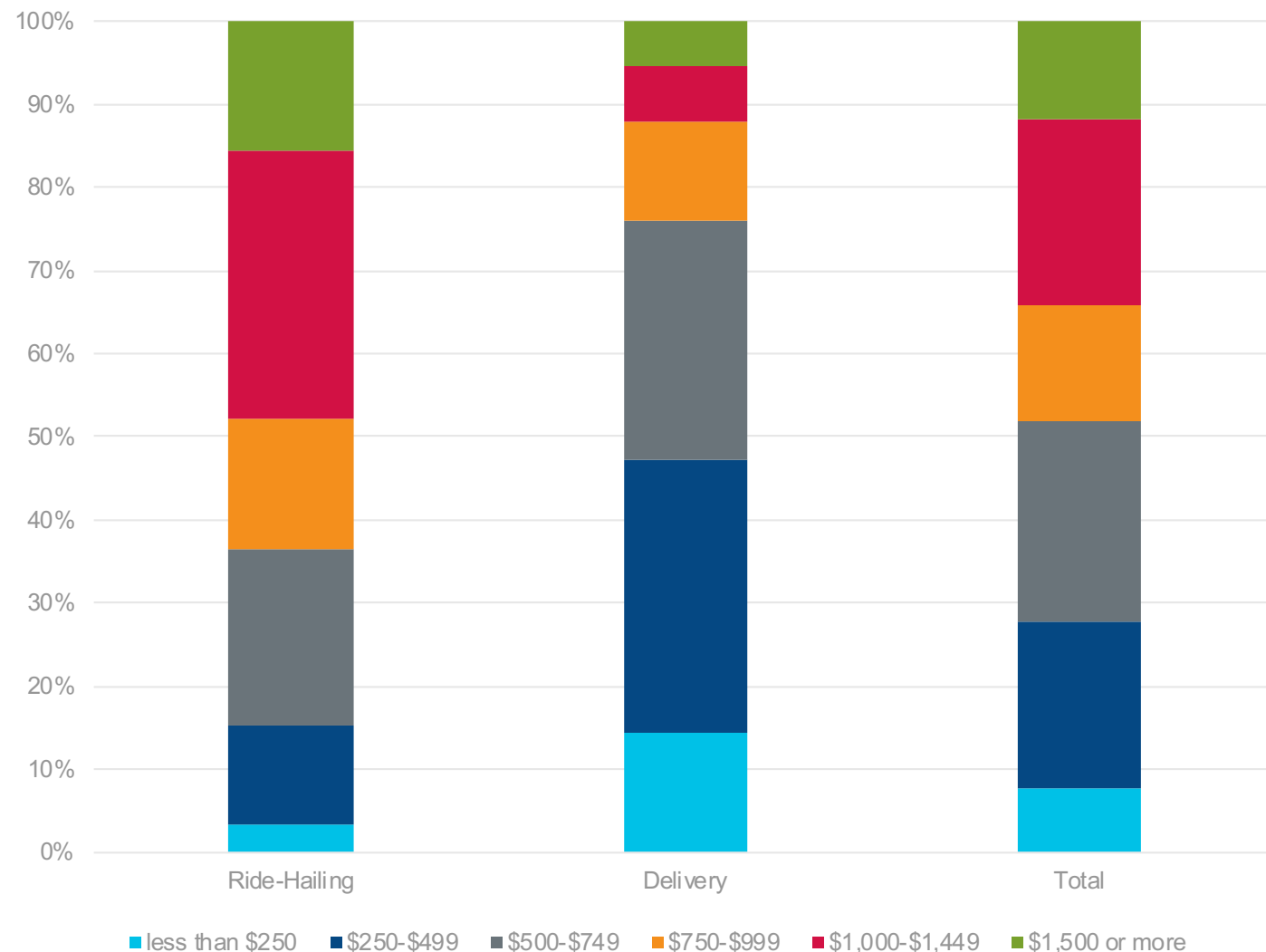
Median weekly earnings, before/after expenses (using two different methods for calculating expenses)

Percent estimated to be earning $0 after deducting estimated expenses			
	Ride-Hailing	Delivery	Total
After deducting named expenses	5%	12%	7%
After deducting estimated mileage based expenses	20%	24%	21%

Legend: ■ Before expenses ■ Deducting named expenses ■ Deducting expenses based on estimated mileage

Institute for
Social Transformation

What percent of your earnings working for your current app are tips?
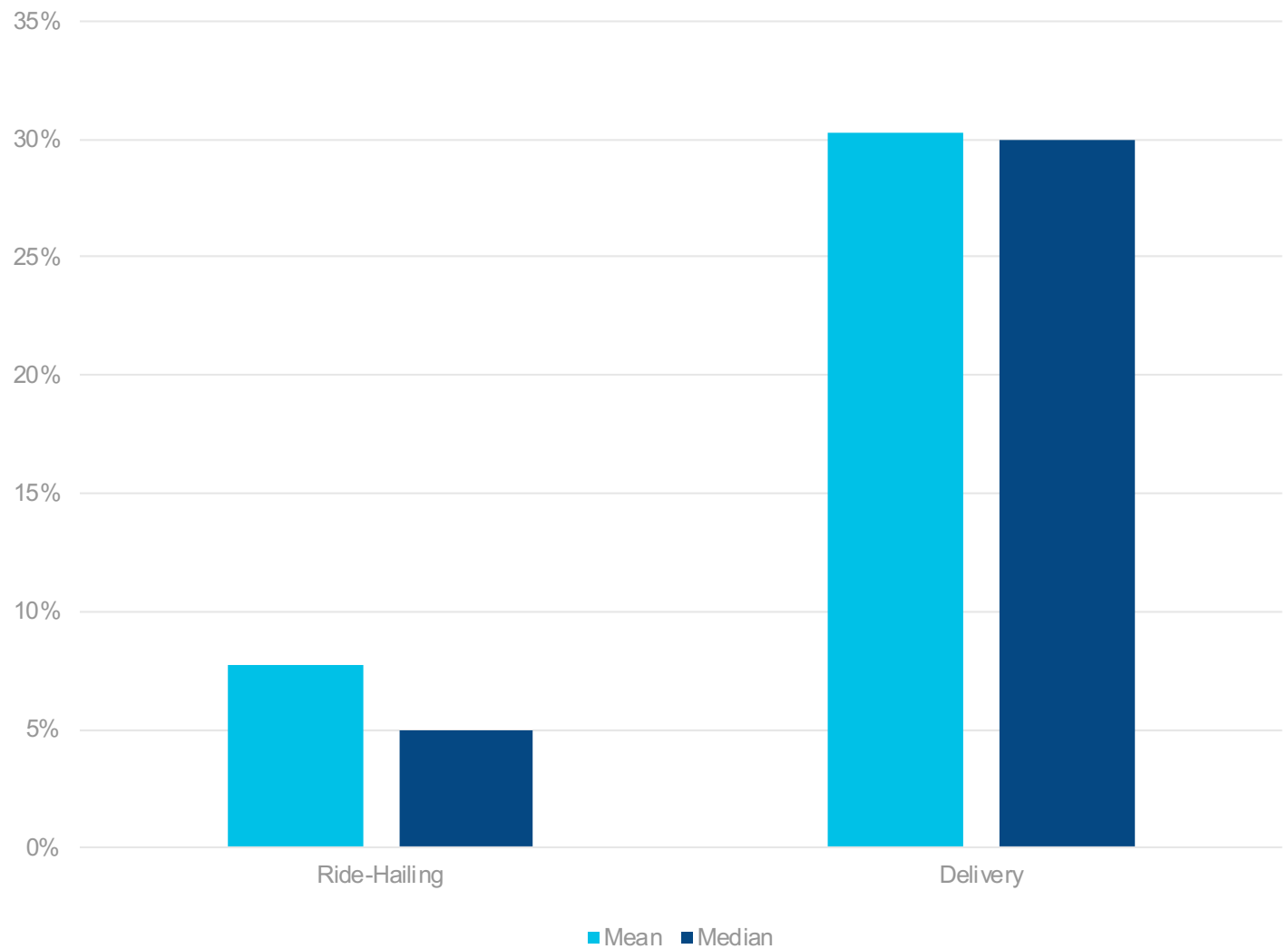
What percent of your time working is unpaid time (e.g. waiting for orders, driving to pick-up location)?
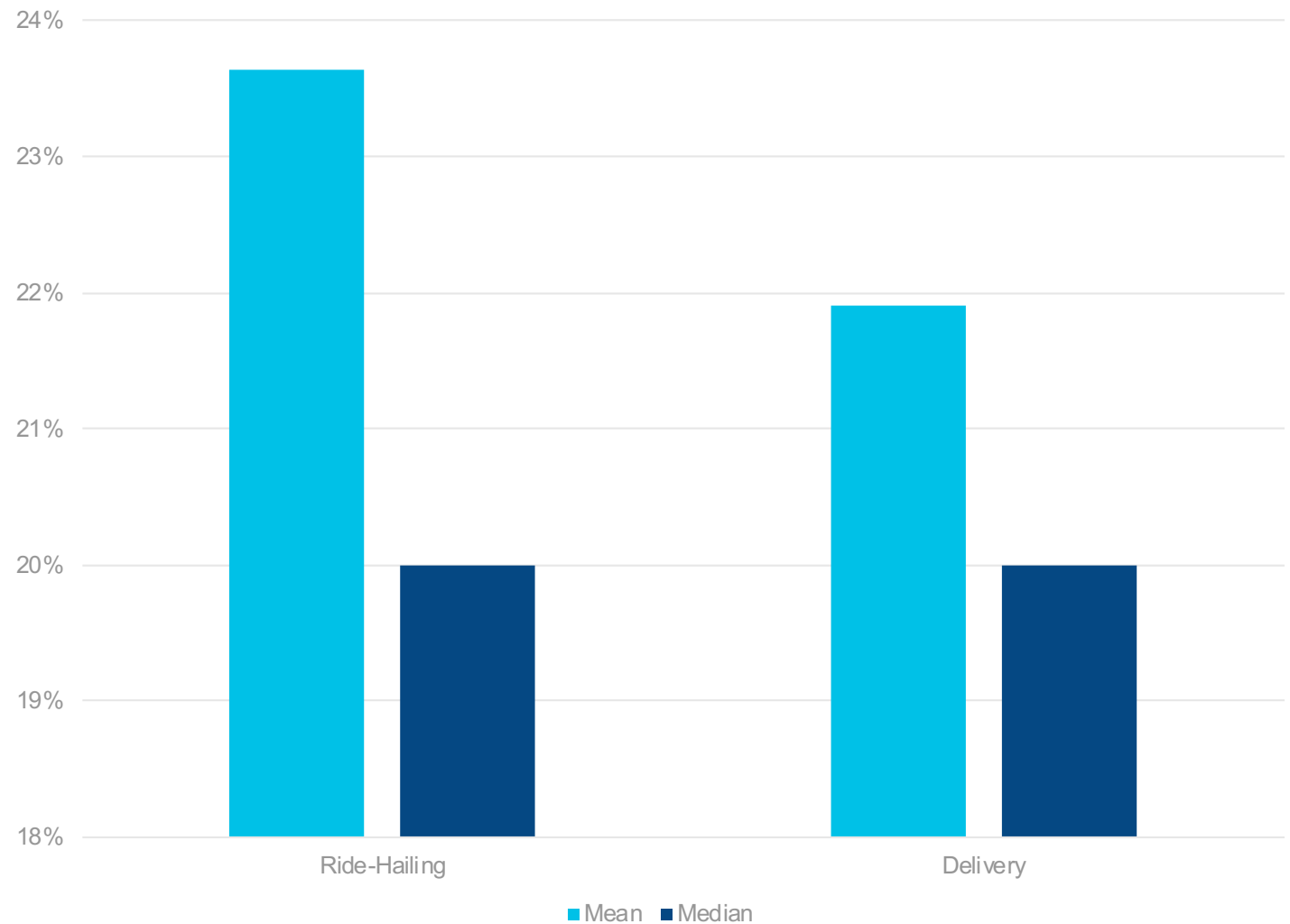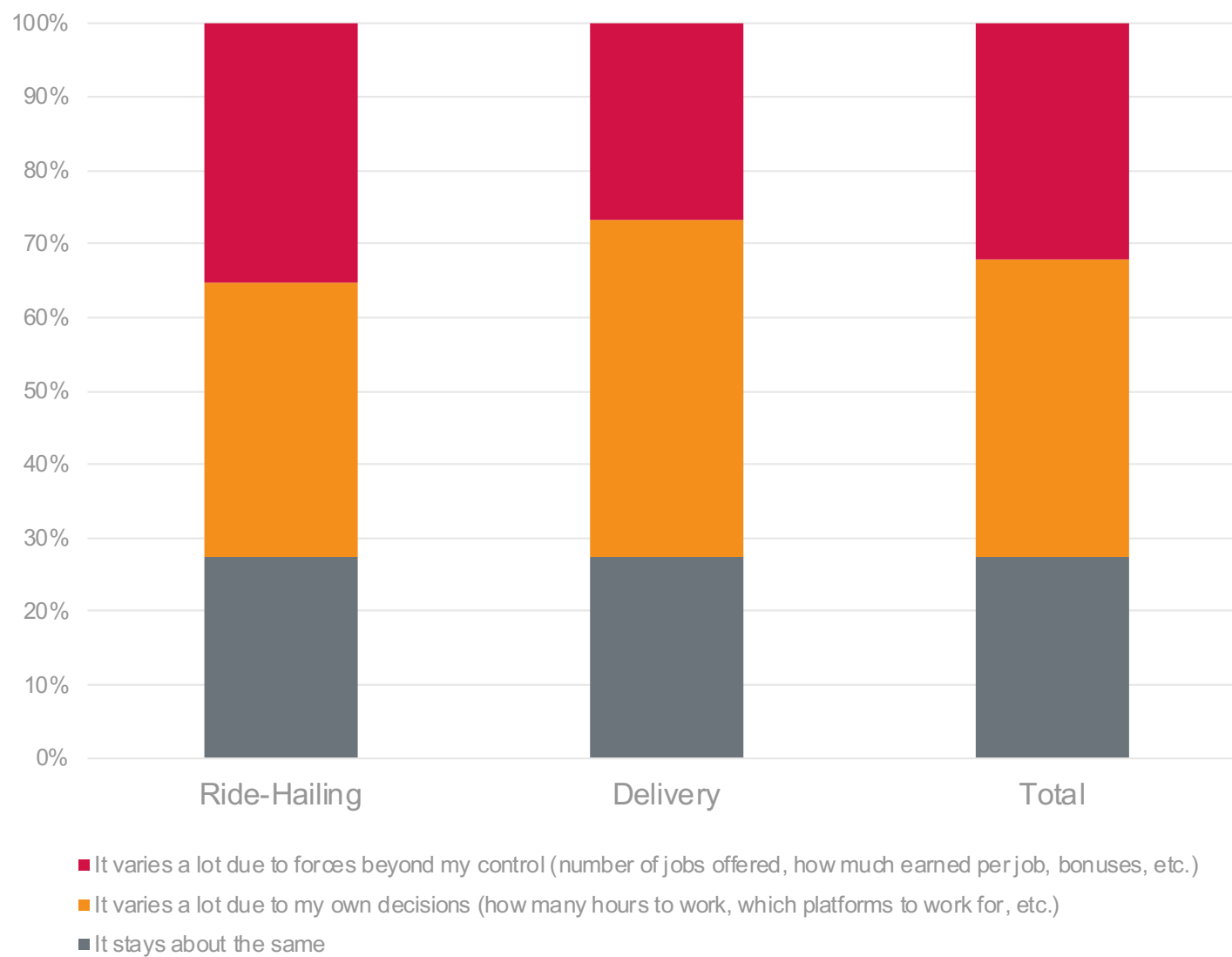
Please describe your weekly income for the platform work:

- It varies a lot due to forces beyond my control (number of jobs offered, how much earned per job, bonuses, etc.)
- It varies a lot due to my own decisions (how many hours to work, which platforms to work for, etc.)
- It stays about the same

Institute for
Social Transformation

Bonuses offered by the app you primarily work for

Institute for
Social Transformation

Legend:
- Bonus of incentive pay in some form?
- Bonus or incentive when you signed up?
- Bonus or incentive for working asocial hours (late nights/weekends)?
- Bonus of incentive pay for meeting or exceeding a certain number of hours?
- Bonus or incentive pay for meeting or exceeding a certain number of rides in a certain period of time?

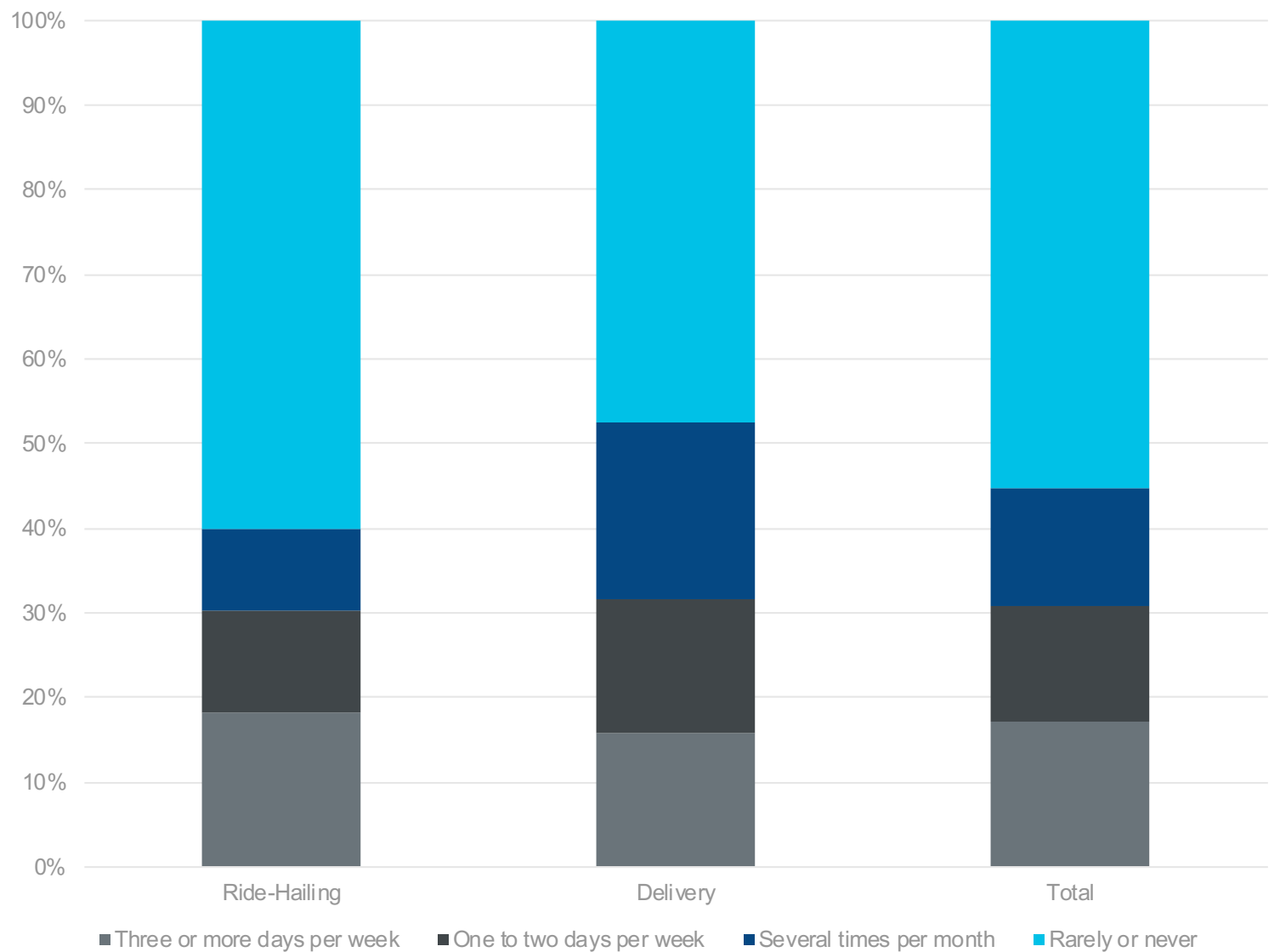Categories: Ride-Hailing, Delivery, Total

Other work challenges

- Survey respondents faced a number of other work-related challenges:

  - 40% of ride-hailing drivers and 52% of delivery workers said they work 12 or more straight hours in app-based work at least several times a month

  - 31% of ride-hailing drivers and 38% of delivery workers say they often or sometimes sleep in their car, before, during or after doing app-based work

  - 77% of ride-hailing drivers and 86% of delivery workers say the have often or sometimes had to use the bathroom but had no nearby access to a facility

  - 43% of ride-hailing drivers and 24% of delivery workers say they have felt harassed or made to feel unsafe by a customer

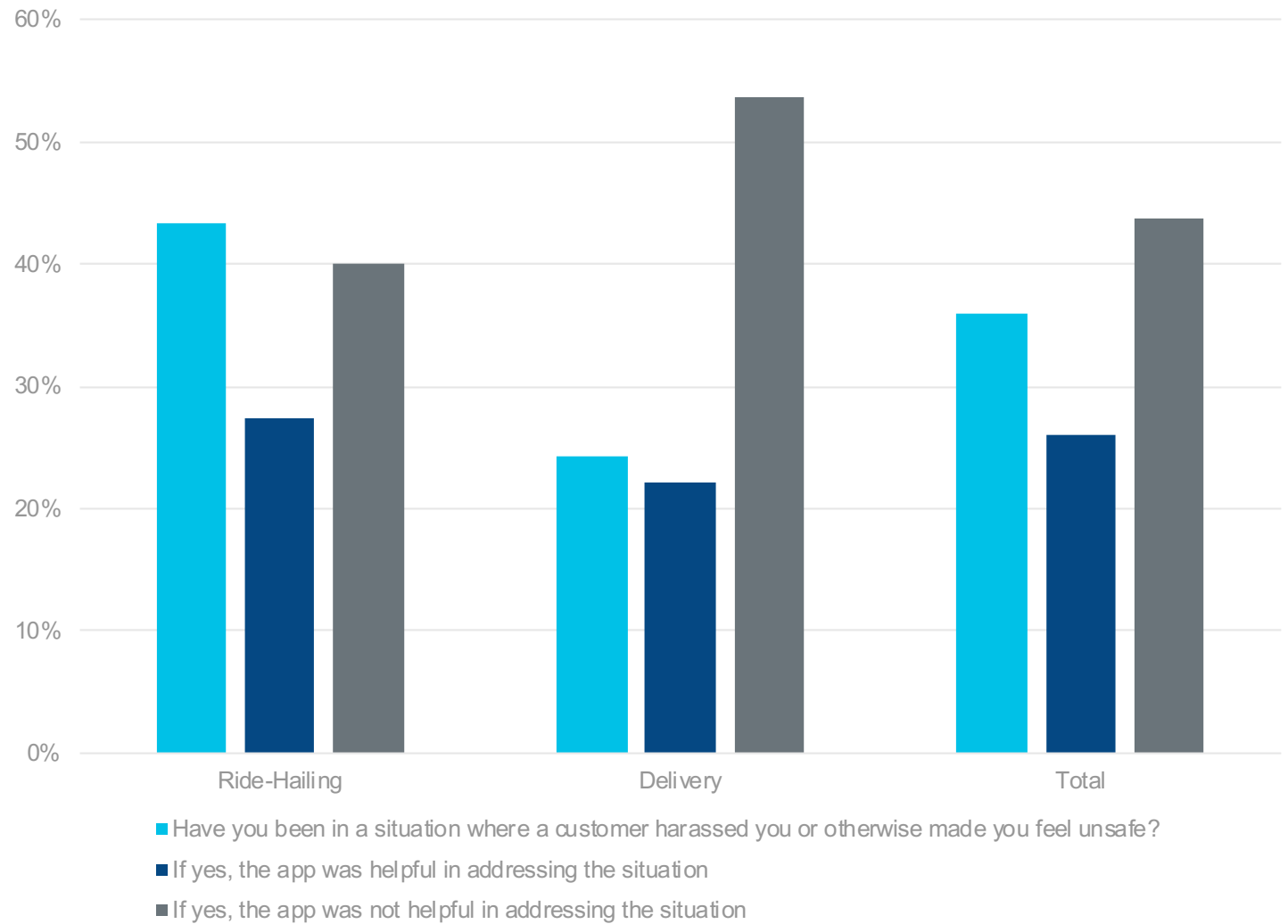**How often do you sleep in your car before, during or after you do this app-based work?**

Institute for Social Transformation
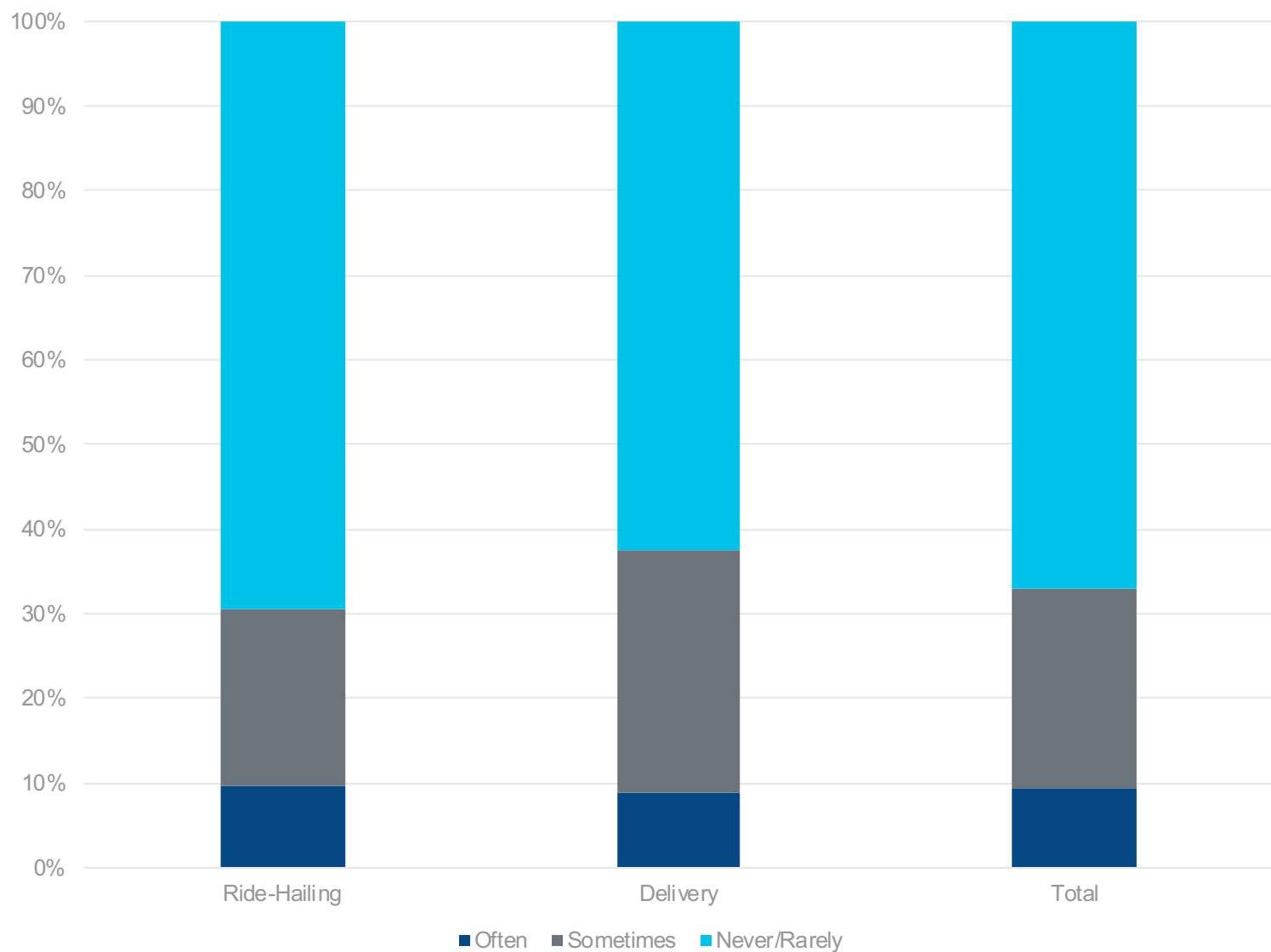
How often have you had to use the bathroom while working in San Francisco but had no nearby access to a facility?

Experience with customer harassment

Chart: Experience with customer harassment by service type

Category	Ride-Hailing	Delivery	Total
Have you been in a situation where a customer harassed you or otherwise made you feel unsafe?	~43%	~24%	~36%
If yes, the app was helpful in addressing the situation	~27%	~22%	~26%
If yes, the app was not helpful in addressing the situation	~40%	~54%	~44%

Legend:
- Have you been in a situation where a customer harassed you or otherwise made you feel unsafe?
- If yes, the app was helpful in addressing the situation
- If yes, the app was not helpful in addressing the situation

Institute for
Social Transformation

Apps manage job opportunities

- Many, though not all, respondents felt penalized for declining certain job offers:

  - 49% of delivery workers and 36% of ride-hailing drivers said they were not offered work for a period of time

  - 29% of all survey respondents though they were offered fewer bonuses or incentives

  - 27% of survey respondents said they were deactivated or threatened with deactivation. Of those actually deactivated, less than half thought the app handled it fairly

- 51% of delivery workers and 36% of ride-hailing drivers thought the amount or types of jobs they were offered was affected by their worker rating

Institute for
Social Transformation

On a scale of 1-5, to what extent do you feel the app you primarily work for is fair to you?

Legend: ■ 1 Very unfair ■ 2 Unfair ■ 3 Neutral ■ 4 Fair ■ 5 Very Fair

Institute for
Social Transformation
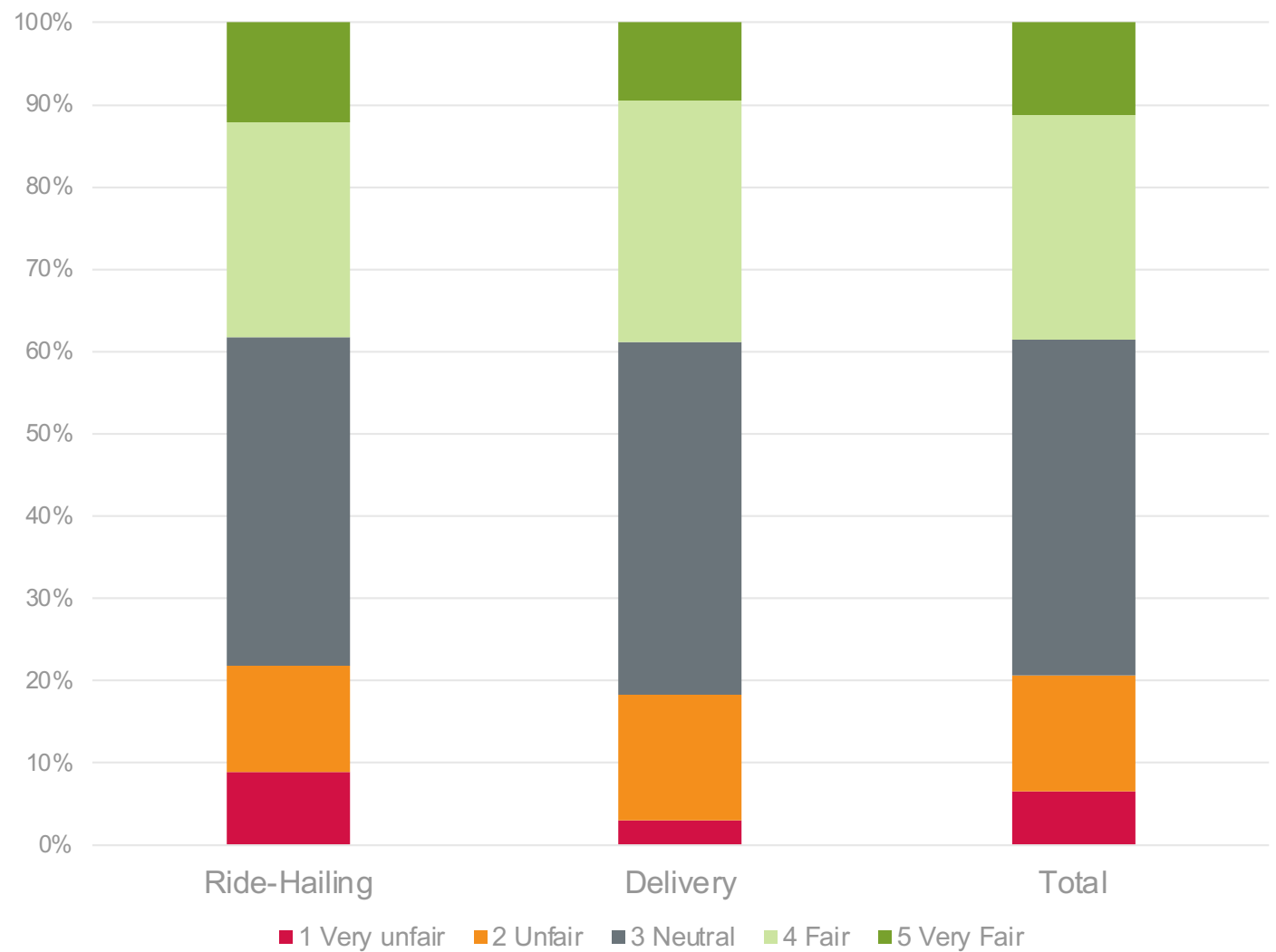
Questions related to apps job practices

When you decline offers while working for your current app, does the app deactivate you or threaten you with deactivation?

When you decline offers while working for your current app, does the app offer fewer bonuses/incentives?
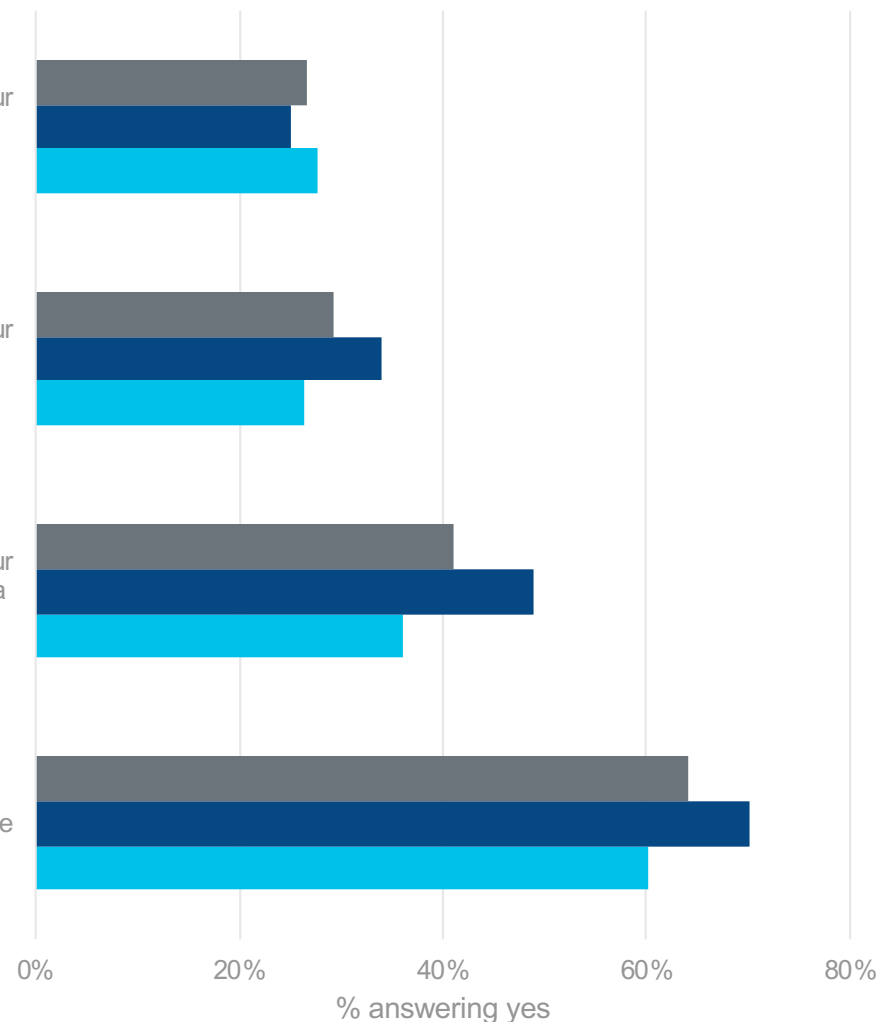
When you decline offers while working for your current app, does the app not offer work for a period of time?

Does your current app offer you enough information about a specific ride to determine whether or not it's worth accepting?
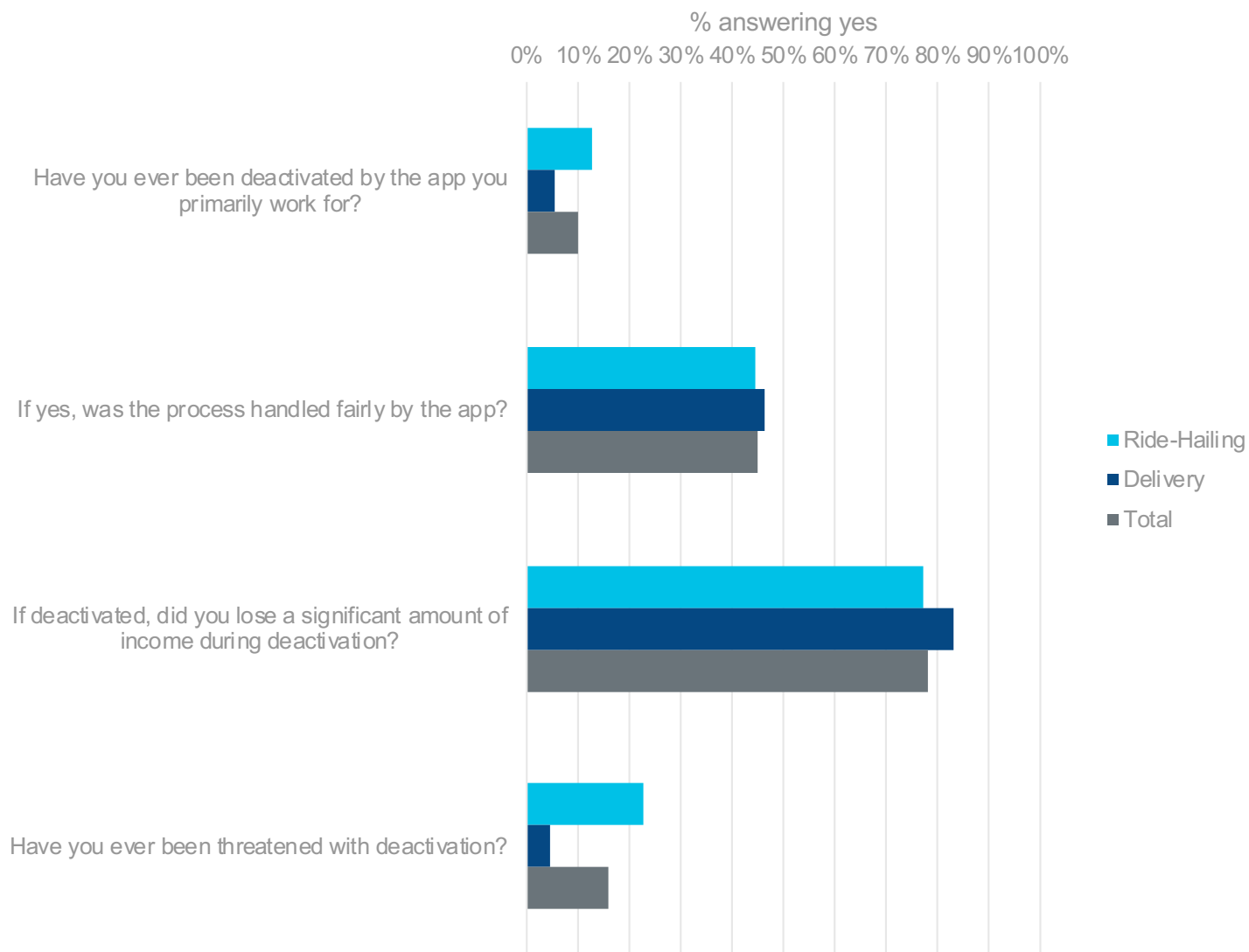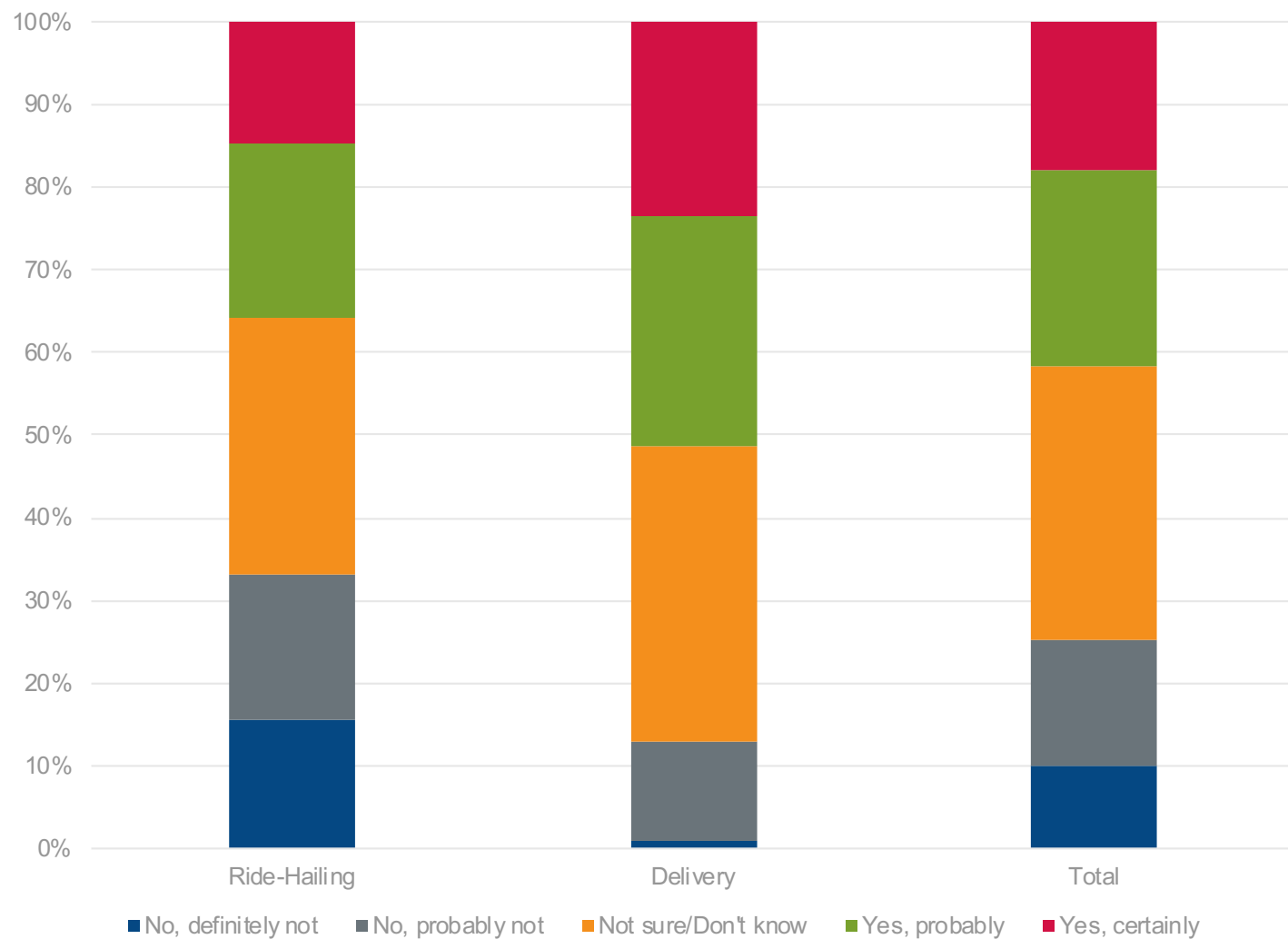
- Total
- Delivery
- Ride-Hailing

0%   20%   40%   60%   80%

% answering yes

Questions related to deactivation

% answering yes

	Ride-Hailing	Delivery	Total

Have you ever been deactivated by the app you primarily work for?

If yes, was the process handled fairly by the app?

If deactivated, did you lose a significant amount of income during deactivation?

Have you ever been threatened with deactivation?

Institute for
Social Transformation

Does your worker rating have an impact on the amount or types of jobs you receive?

Legend: No, definitely not · No, probably not · Not sure/Don't know · Yes, probably · Yes, certainly

Categories: Ride-Hailing, Delivery, Total
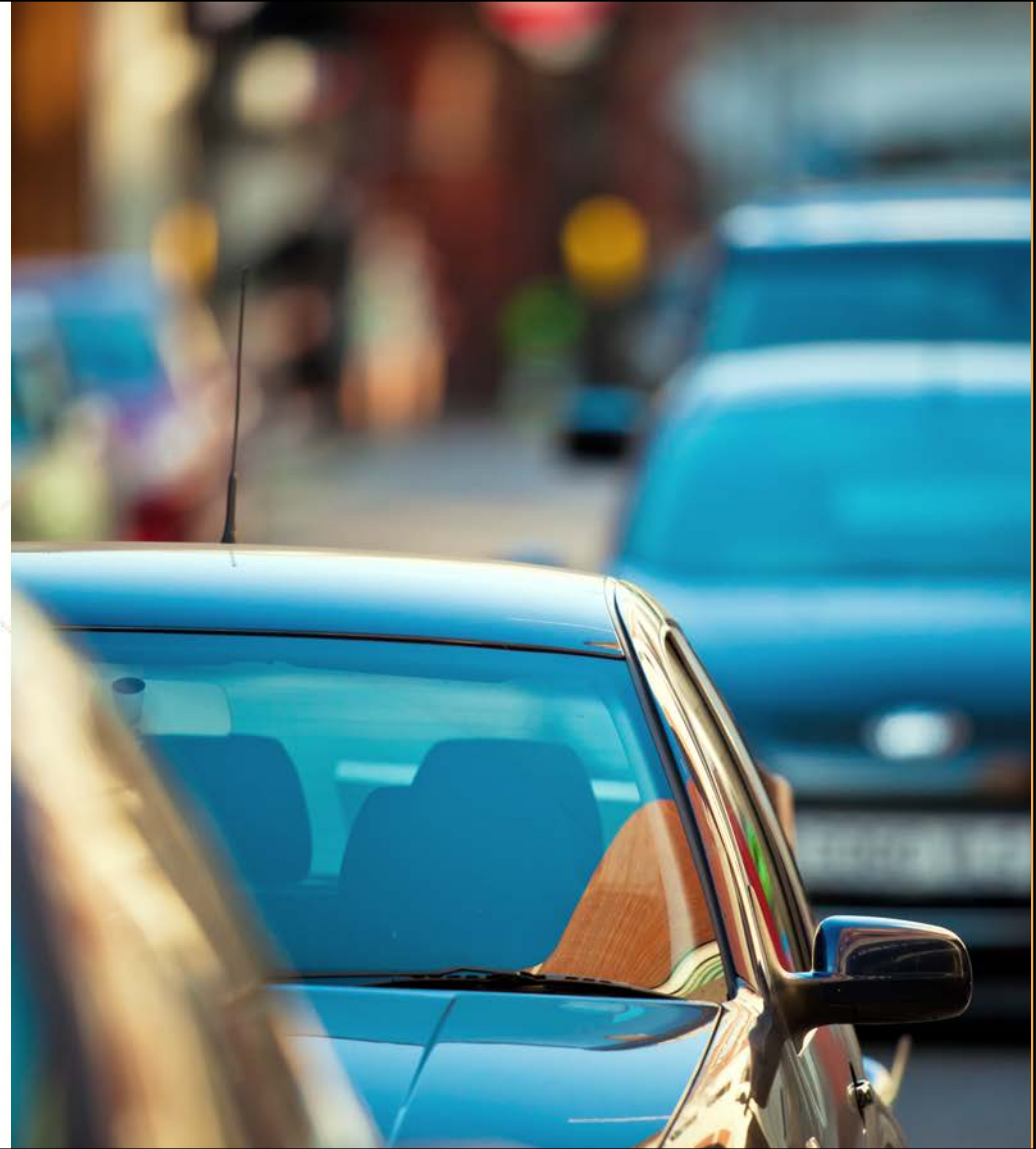
Institute for
Social Transformation

Parking is a challenge

- 38% of ride-hailing drivers and 52% of delivery workers completely the survey said they had received a ticket for parking in red zones in San Francisco

- 45% of ride-hailing drivers and 62% of delivery workers said they had received other parking violations in San Francisco

Institute for
Social Transformation

While driving for the apps, have you received a ticket for …

% answering yes

- …speeding or other driving violation
- …parking in red zones in San Francisco
- …other parking violations in San Francisco
- …using a cell phone while driving

Ride-Hailing
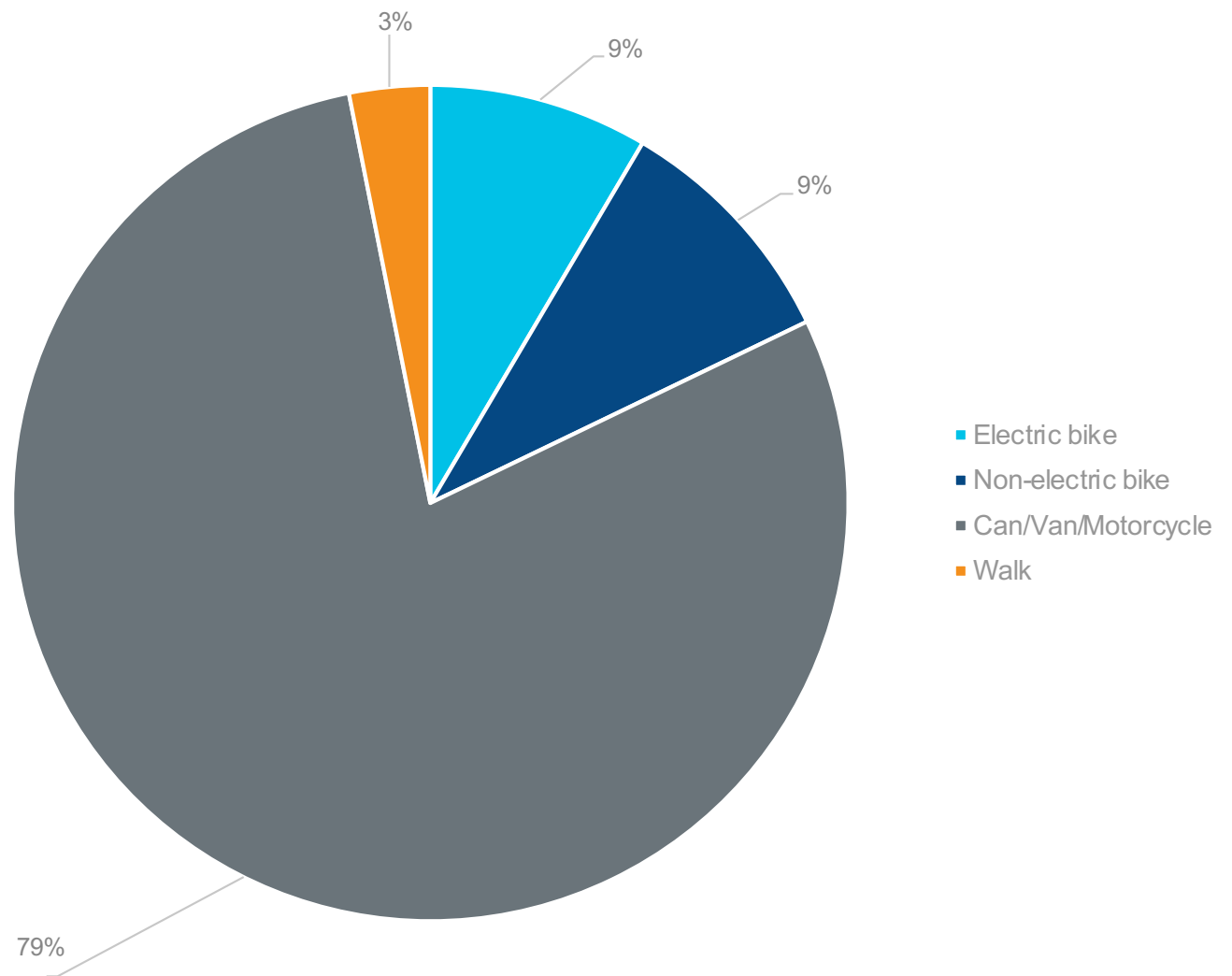Delivery
Total

Institute for
Social Transformation
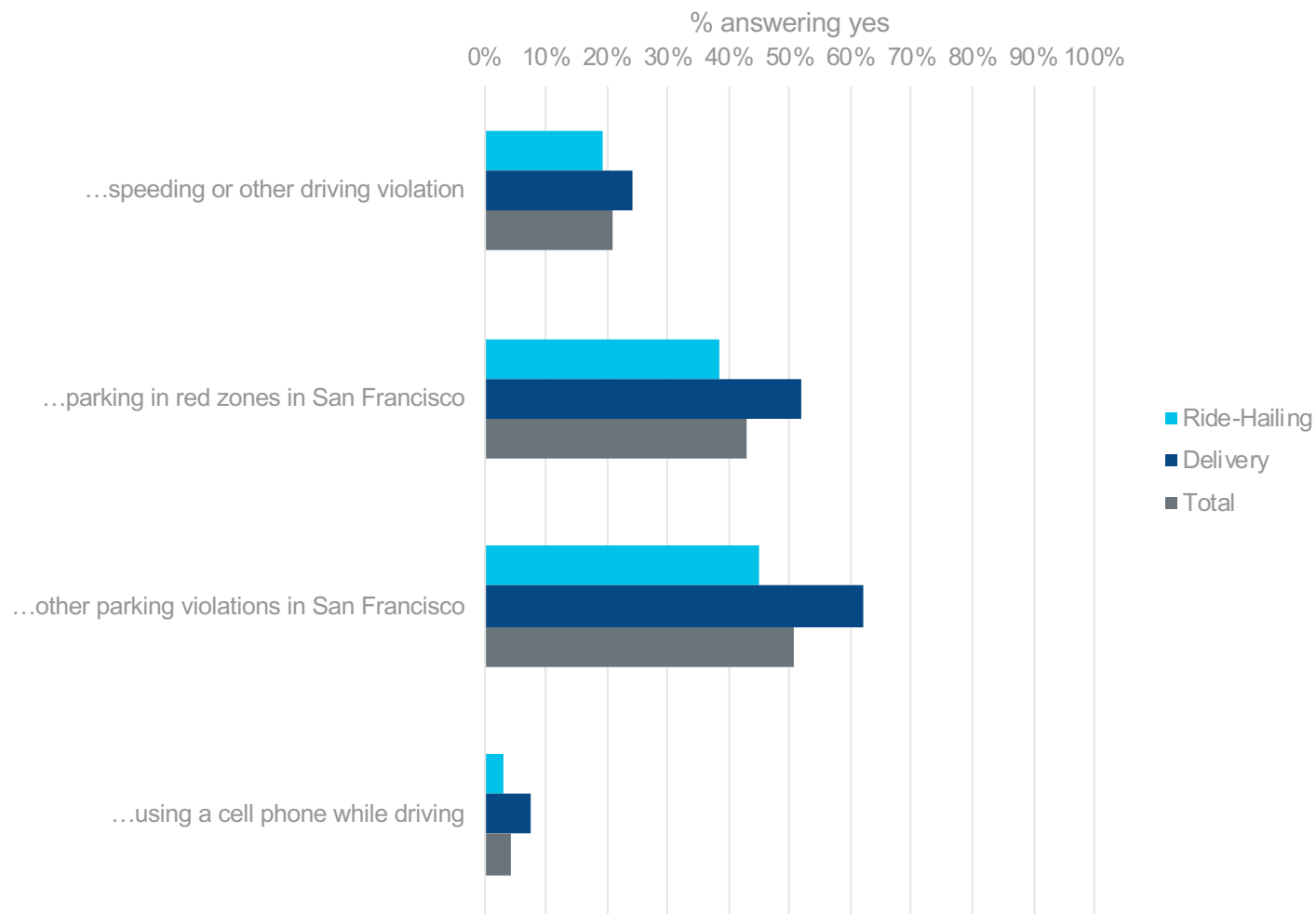
Bicyclists have challenges too

- 18% of all delivery workers said that a bicycle was their primary mode of delivery—half of those using an electric bike

- People using bikes have expenses that are rarely reimbursed by their app
  - Only 33% said they had no purchases

  - 33% said they had to purchase protective gear

  - 25% said they had to purchase a rack for carrying larger orders

  - 13% said they had to purchase an insulated box
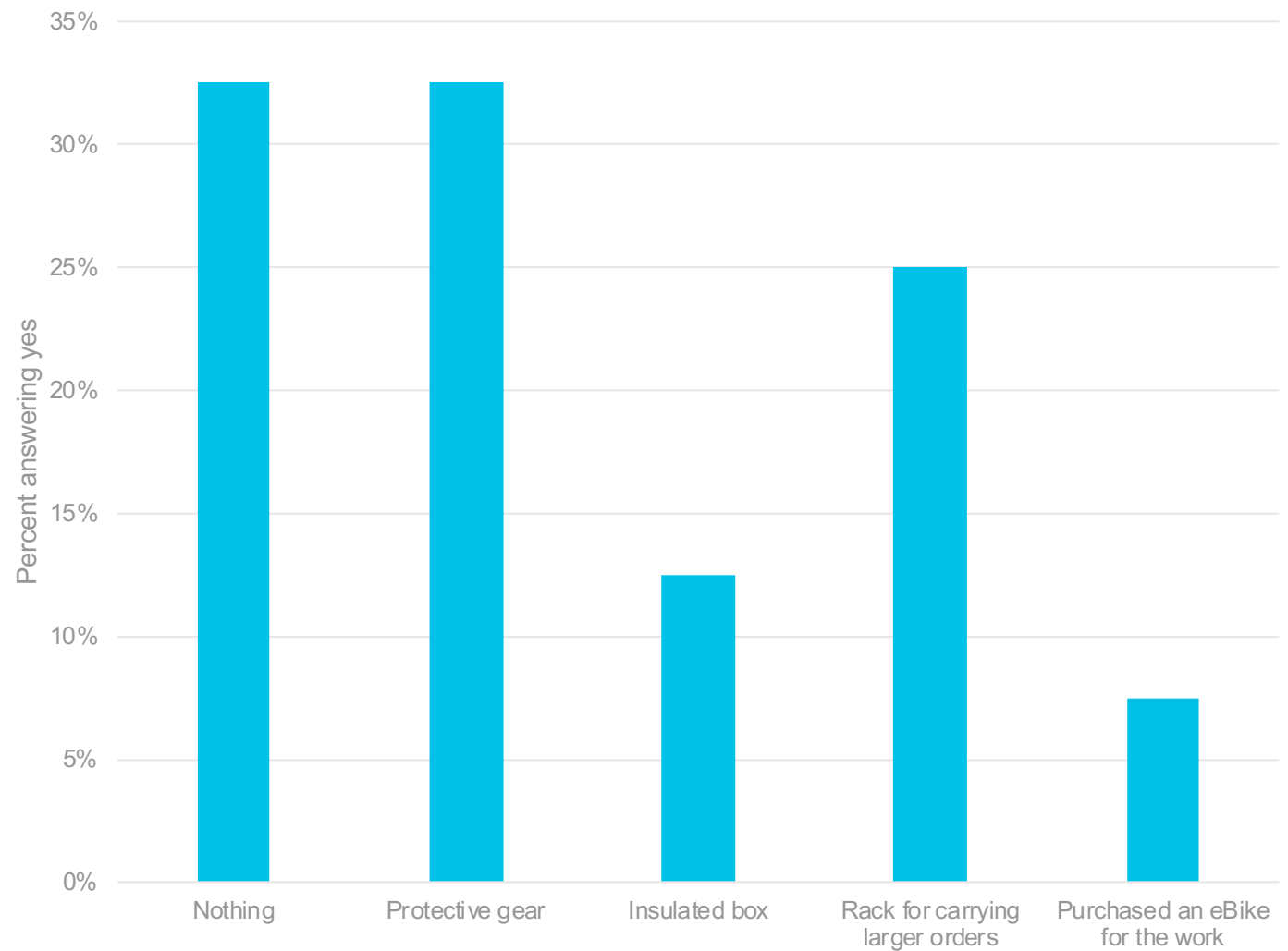
  - 8% purchased an electric bike for work

What is your primary mode of transportation for your app-based delivery work

3%
9%
9%
79%

- Electric bike
- Non-electric bike
- Can/Van/Motorcycle
- Walk

Institute for
Social Transformation

What did you need to purchase to get your bike ready for app-based work that was not offered or reimbursed by the app?

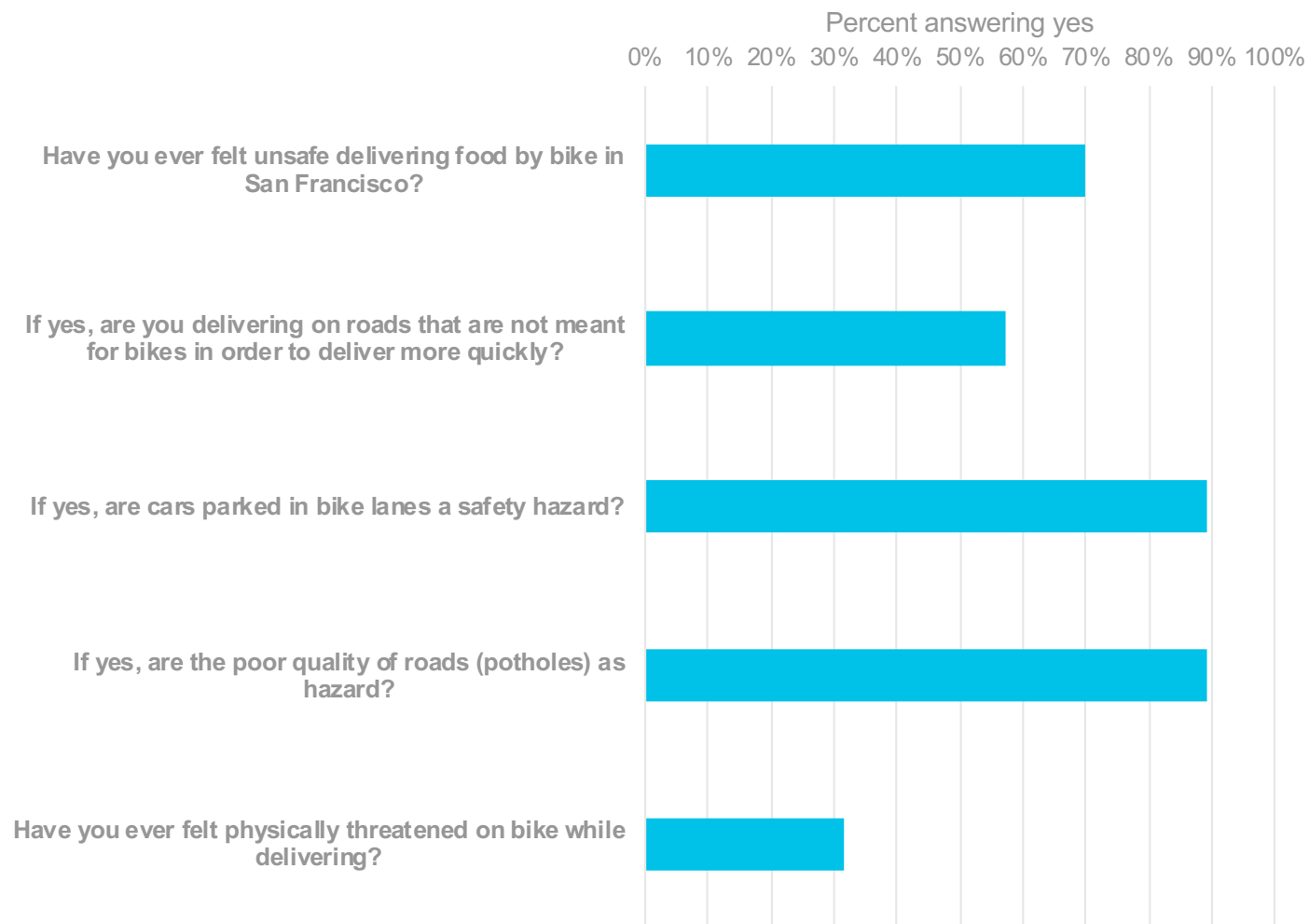# Bike safety is a concern

- 70% of people delivering by bicycle said they had felt unsafe

- Of those who felt unsafe

  - 89% said cars parked in bike lanes are a safety hazard

  - 89% said the poor quality of roads (potholes) are a hazard

  - 57% said they were delivering on roads not meant for bikes in order to delivery more quickly

- 32% said they have felt physically threatened on a bike while delivering

Institute for
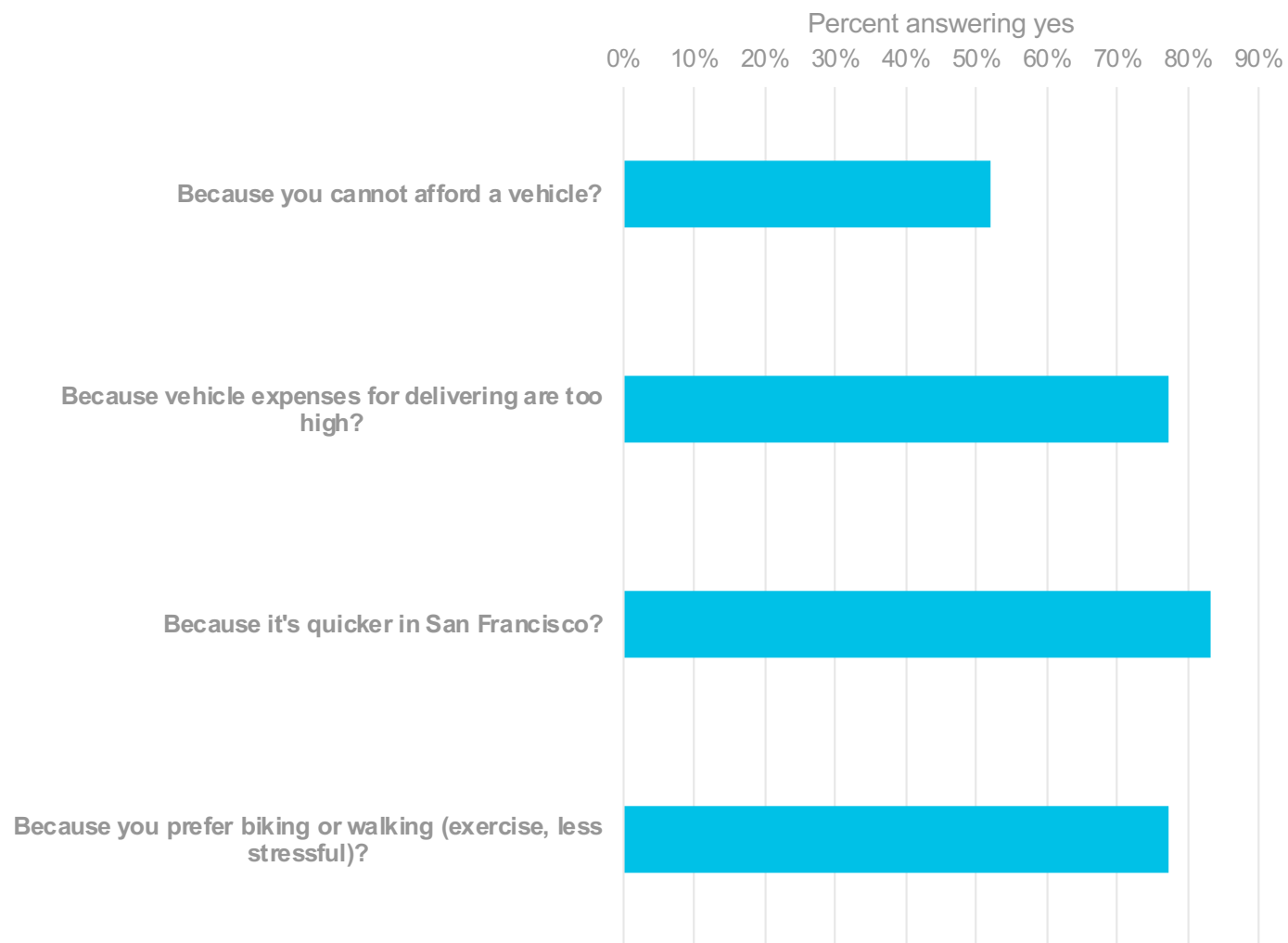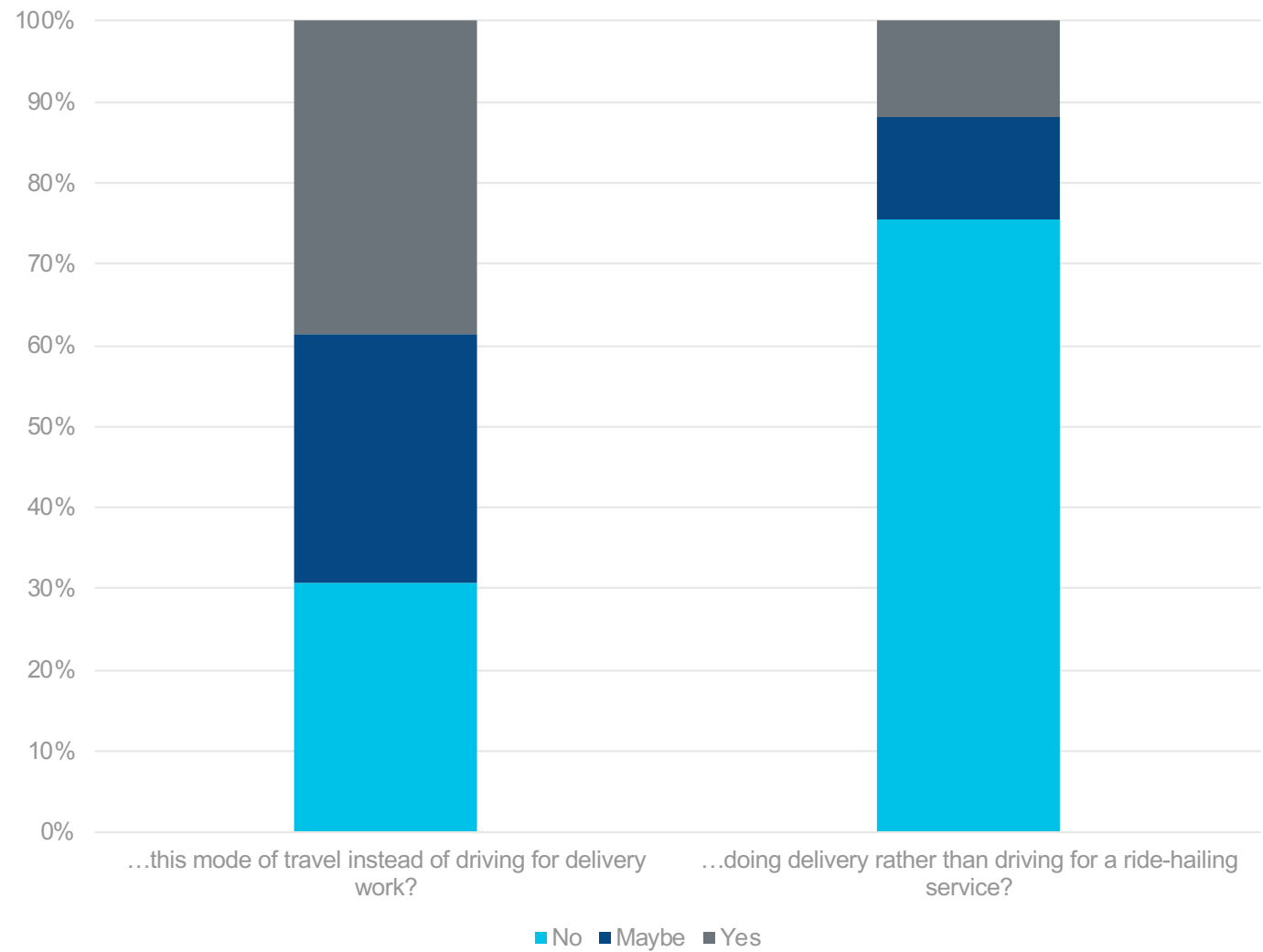Social Transformation

Bike Delivery Safety Issues

Percent answering yes

0% 10% 20% 30% 40% 50% 60% 70% 80% 90% 100%

Have you ever felt unsafe delivering food by bike in San Francisco?

If yes, are you delivering on roads that are not meant for bikes in order to deliver more quickly?

If yes, are cars parked in bike lanes a safety hazard?

If yes, are the poor quality of roads (potholes) as hazard?

Have you ever felt physically threatened on bike while delivering?

Institute for
Social Transformation

Potential to expand bike delivery?

- There are some economic reasons why people choose to deliver by bike: 52% said they couldn't afford a vehicle, and 77% cited too high vehicle expenses

- Yet 77% also said they preferred delivering by bike or walking (exercise, less stressful)

- 83% also said it was quicker to deliver using a bike in San Francisco

- If provided with a financial incentive to purchase an ebike:

  - 39% percent of delivery workers said they would switch from driving, and 31% said they might

  - 25% of ride-hailing drivers said they would consider or definitely switch to ebike delivery

Reason for not driving for app-based delivery work

Percent answering yes

0% 10% 20% 30% 40% 50% 60% 70% 80% 90%

Because you cannot afford a vehicle?

Because vehicle expenses for delivering are too high?

Because it's quicker in San Francisco?

Because you prefer biking or walking (exercise, less stressful)?

Institute for
Social Transformation

If you were provided with a financial incentive to purchase an ebike, would you prefer…

100%
90%
80%
70%
60%
50%
40%
30%
20%
10%
0%

…this mode of travel instead of driving for delivery work?

…doing delivery rather than driving for a ride-hailing service?

■ No ■ Maybe ■ Yes

Institute for
Social Transformation

Driver-collected trip data important for policy development, implementation, enforcement.

The Driver's Seat Cooperative technology pilot validated that work hours and earnings data collected directly from drivers via mobile app yields unique and relevant information for policymaking. Pilot data was collected on the following information points.

1) Ratio of paid to unpaid work time

2) Driver total and average number of hours worked

3) Driver gross earnings

4) Driver mileage-based expenses

5) Geographic and temporal distribution of where the work happens, including how much work is performed with in SF City/County limits

This data can be segmented by time of day, day of week, or geography at any level, and analyzed by distance as well as time. The data can also be segmented by P3 (paid) and combined P1/P2 (unpaid) time. Effective hourly wage estimates can be calculated from earnings, expenses, and hours worked.

DRIVER'S SEAT

Driver collected data shows ratio and distribution of paid and unpaid work*
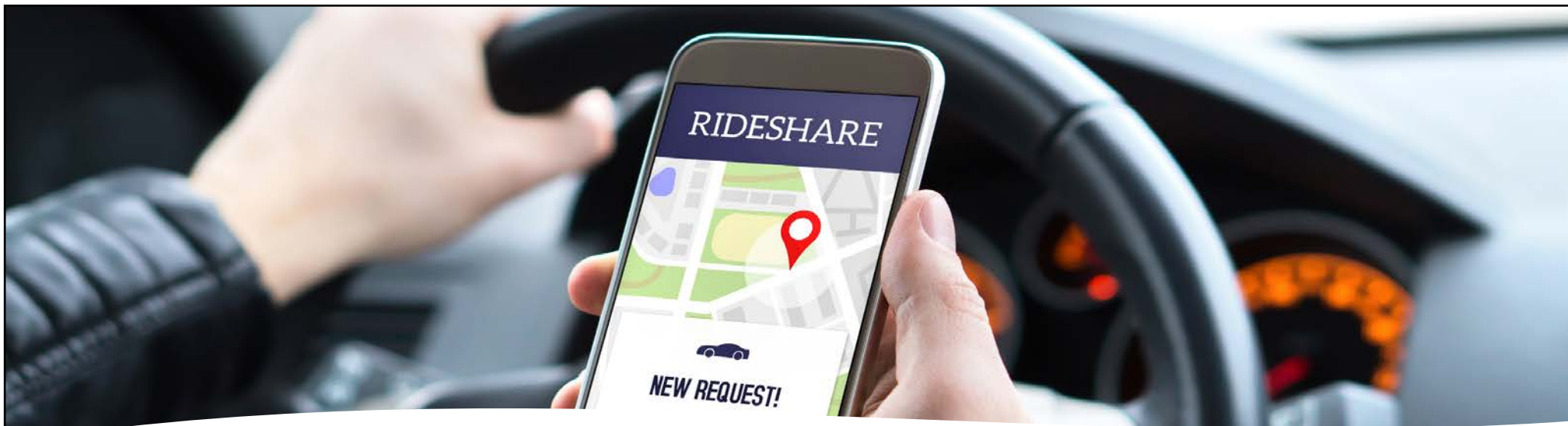

Distribution of driver work observations

■ P1, P2 ■ P3
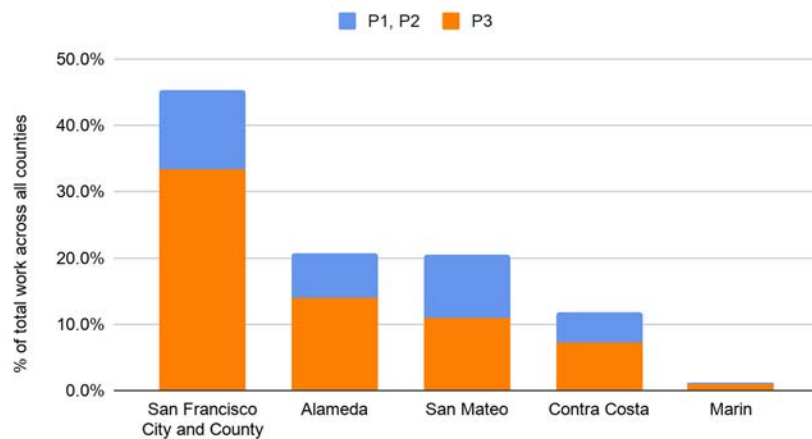
*Demonstration data collected during study pilot phase

Driver work across the 5-county San Francisco metro area

Inset: Downtown SF

■ Paid work (P3)   ■ Unpaid work (P1 and P2)

53
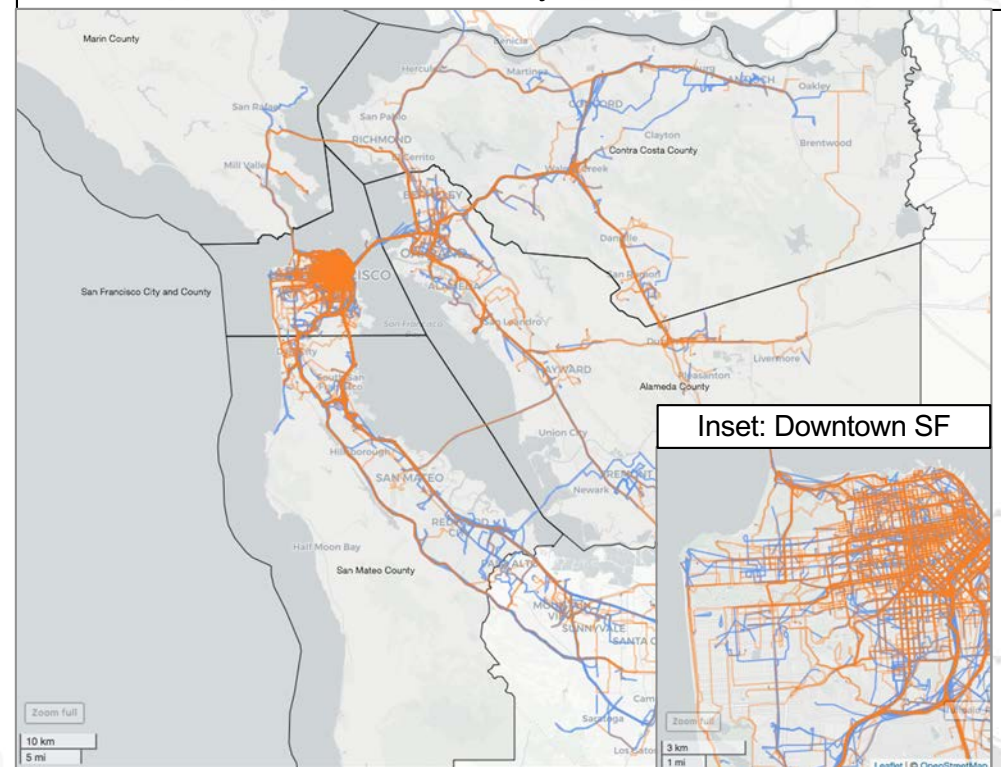
Impact of COVID-19 On App-Based Delivery & Ride-hailing Workers

Survey Results, April 2020

Impact of COVID-19

- 41% of those surveyed working on delivery, with nearly half making switch from ridehailing apps due to coronavirus

- 24% stopped working on the apps when the virus hit

- Workers struggling financially
  - 54% had lost more than $500/week in earnings
  - 37% had lost 100% of their income
  - Another 19% had lost more than 75% of their income

- Though 15% had seen an increase in jobs being offered, 76% had seen a significant reduction in jobs being offered

- 28% said they were still accepting jobs despite fears of the virus because they needed the income

Institute for
Social Transformation
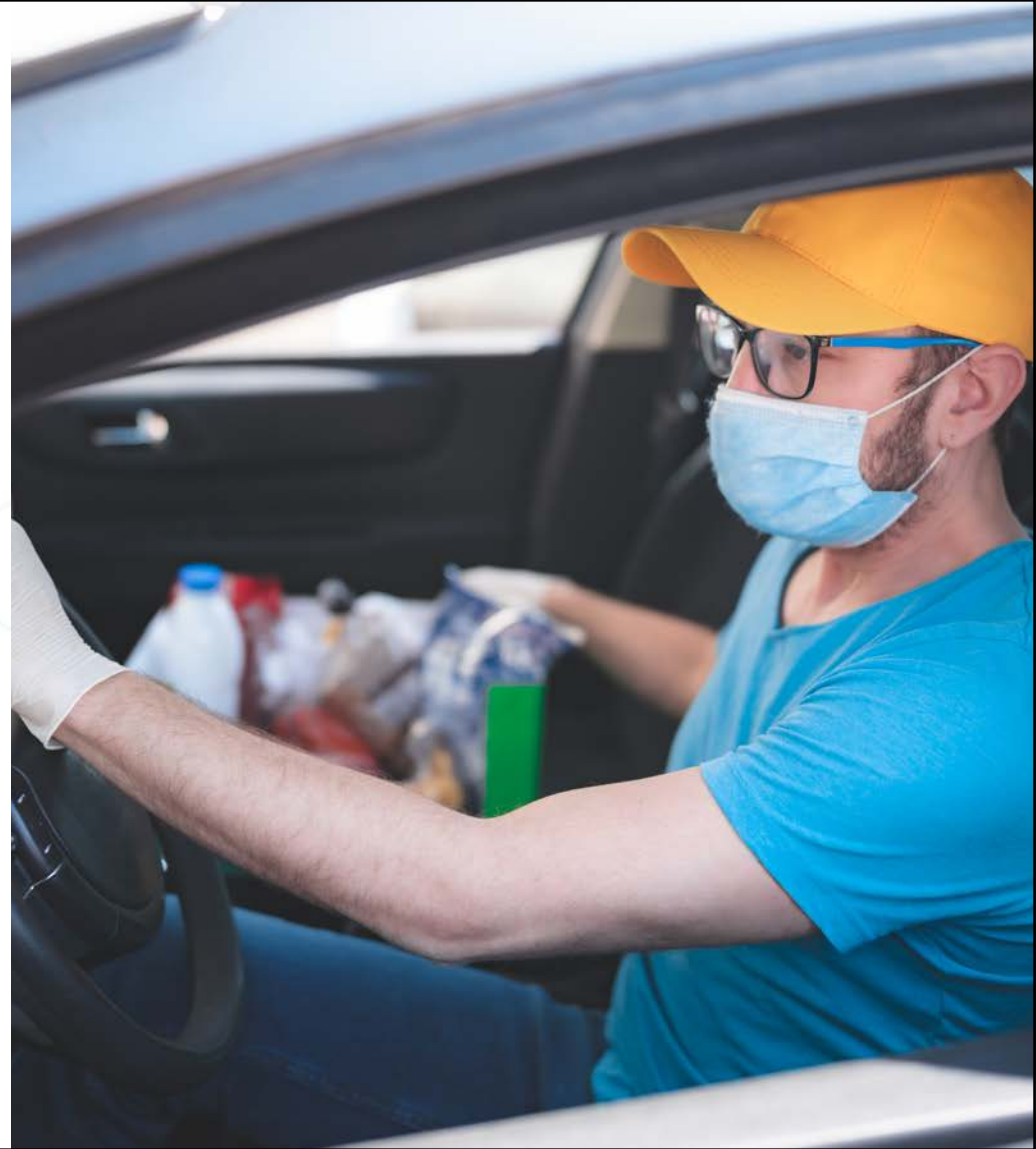
Please choose the option that best describes your work on ride hailing and/or food delivery apps since the coronavirus outbreak hit the Bay Area

32%   23%

24%   3%   18%

- I continue to work primarily on food and/or grocery delivery apps
- I shifted from primarily ridehailing to mostly food and/or grocery delivery apps
- I shifted from food and/or grocery delivery to mostly ridehailing apps
- Other (manually respond)
- I continue to work primarily on ridehailing apps

Institute for
Social Transformation
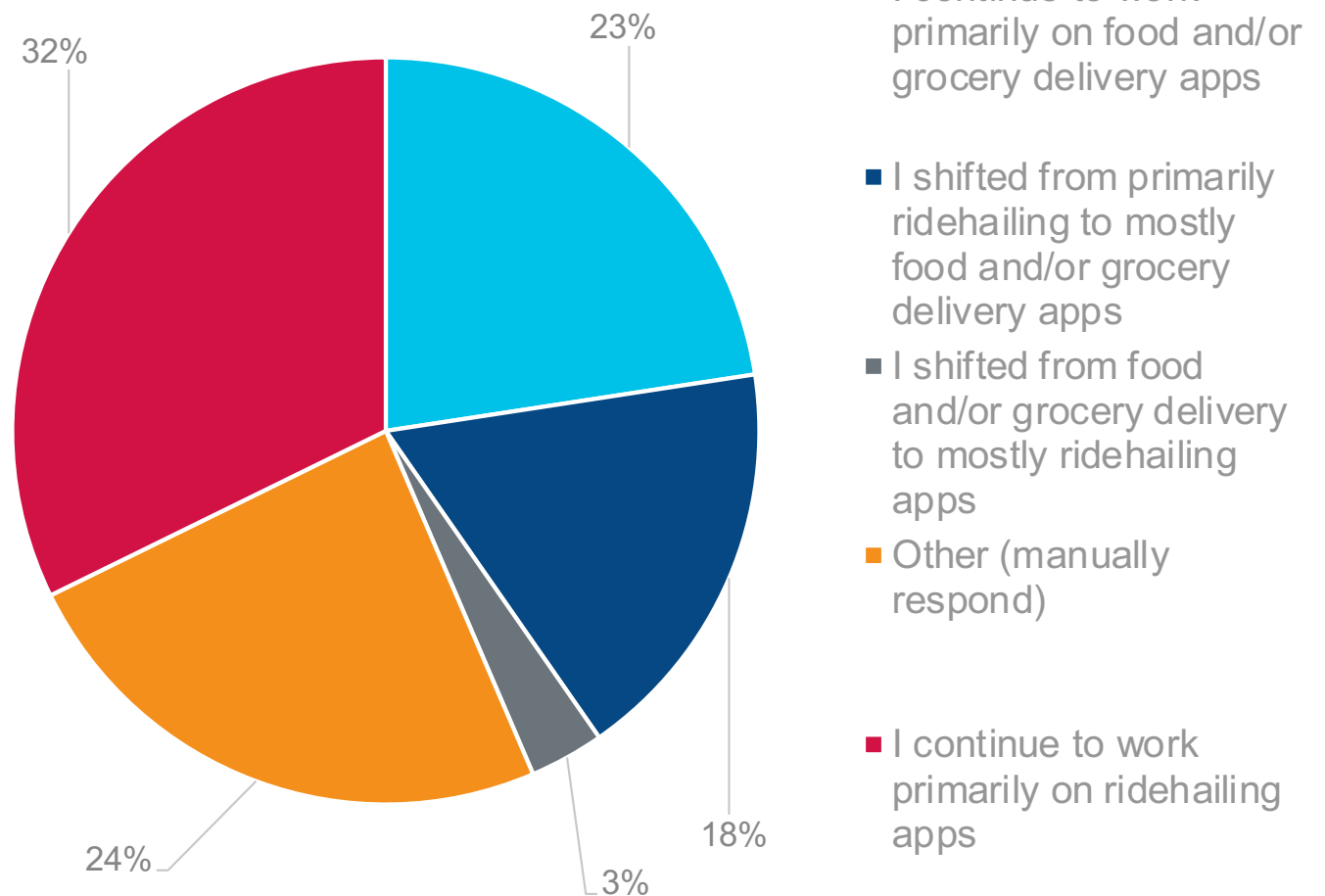
Percent Change in Weekly Earnings Since February
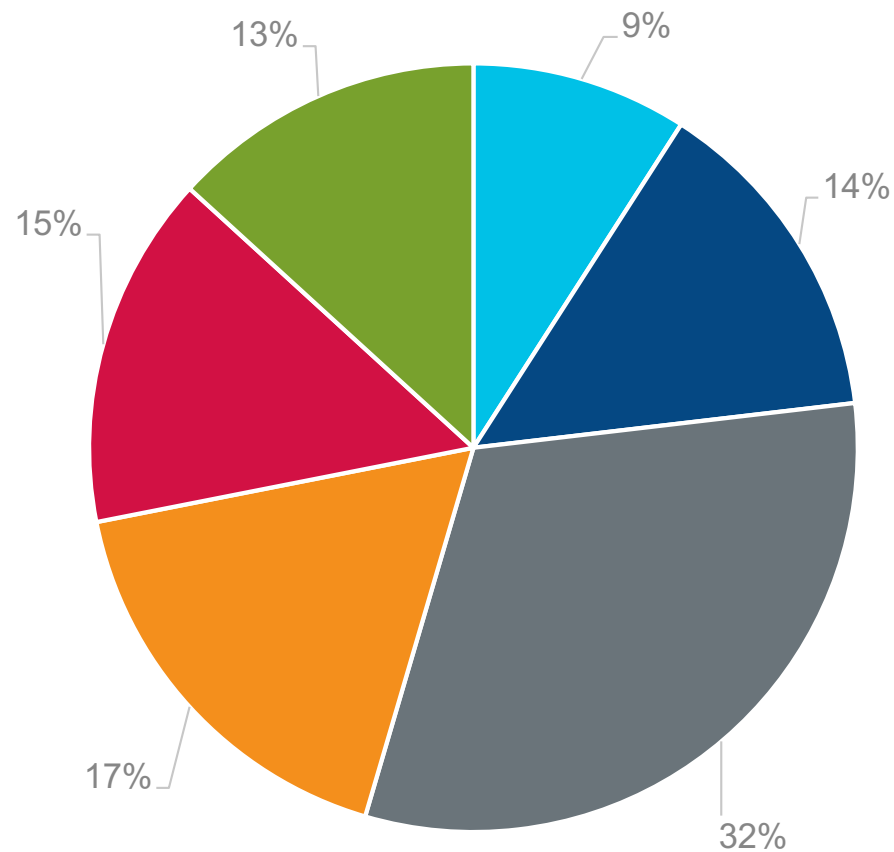
Pie chart:
- 9% — Earning loss of more than $1,500 a week
- 14% — Earning loss of $1,001 to $1,500 a week
- 32% — Earning loss of $501 to $1,000 a week
- 17% — Earning loss of $1 to $500 a week
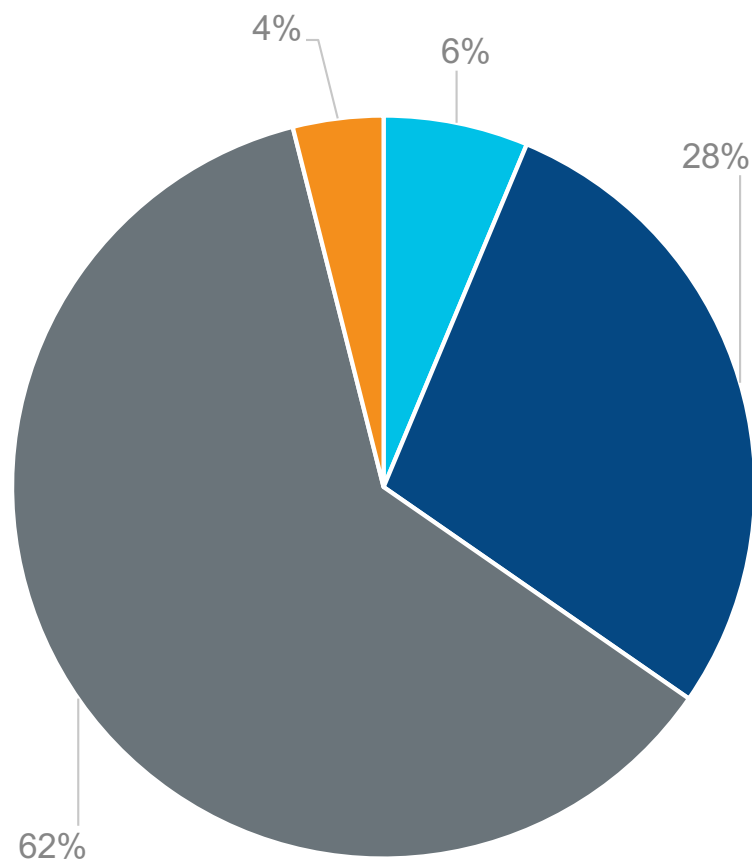- 15% — Earning the same
- 13% — Earning gain of $1 to $500 a week

Institute for Social Transformation
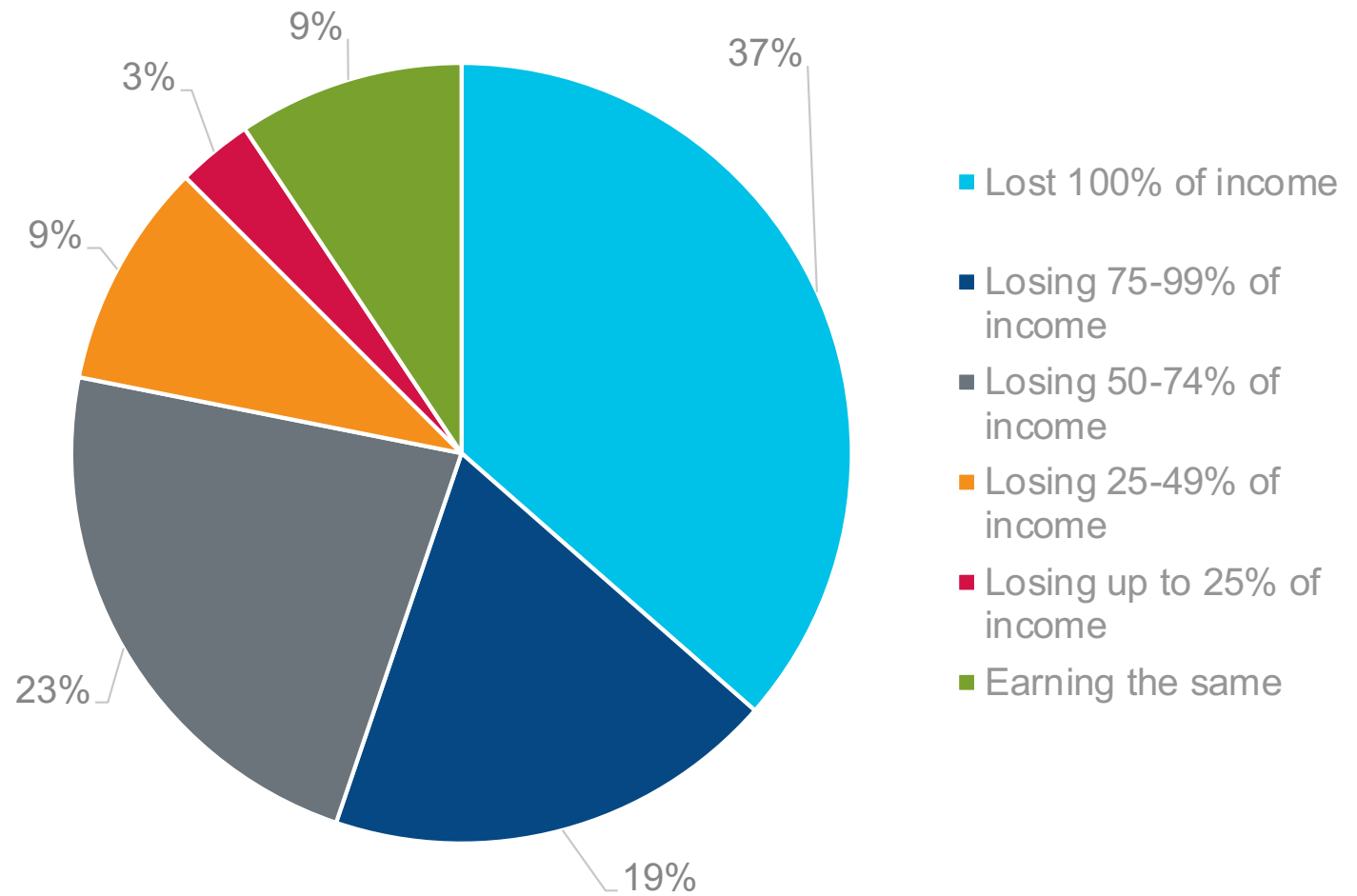
How has COVID-19 (coronavirus) impacted how many jobs you are offered?

Institute for Social Transformation
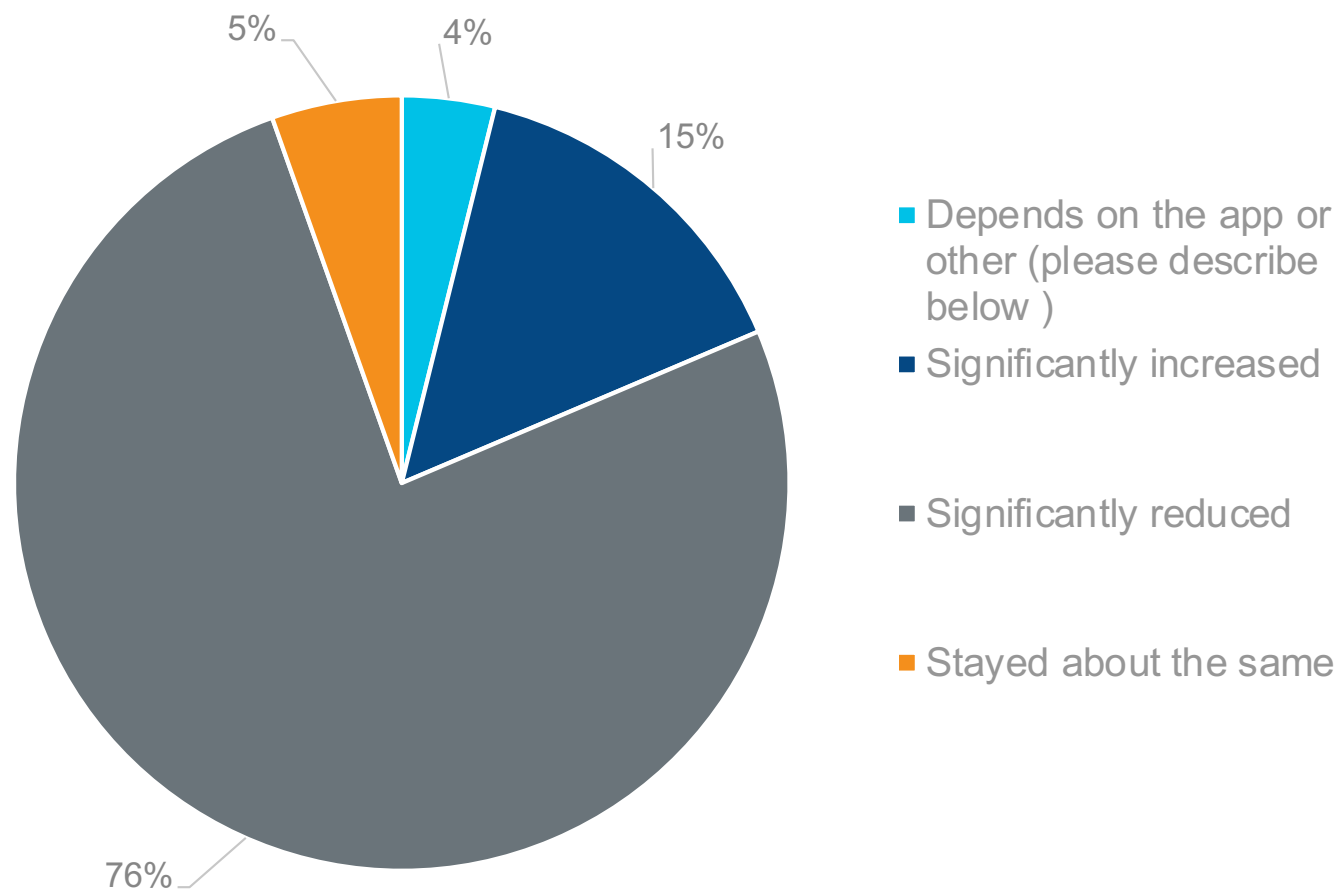
Has the virus impacted your decision to accept jobs?

- 4%
- 6%
- 28%
- 62%

Legend:
- I am accepting jobs normally and am not concerned about contracting or sharing the virus
- I am accepting jobs despite my fears of sharing and contracting the virus because I need the income
- I am working less, out of fear of contracting or sharing the virus with customers I'm in contact with
- I am working less, because I am sick or need to care for a sick person

Institute for
Social Transformation

Workers getting little help

- Survey respondents said the primary app they work for is doing little to help them

  - Only 19% were offered procedures or support for what to do if they exhibit symptoms of the virus

  - Only 27% said their app provides financial assistance if they have been exposed to COVID-19

  - Only 30% were offered training on how to protect themselves through contact with customers

  - Only 41% were being provided gloves, hand sanitizer, or other protective equipment

- 55% said their app was doing nothing or not enough to respond to the viruss
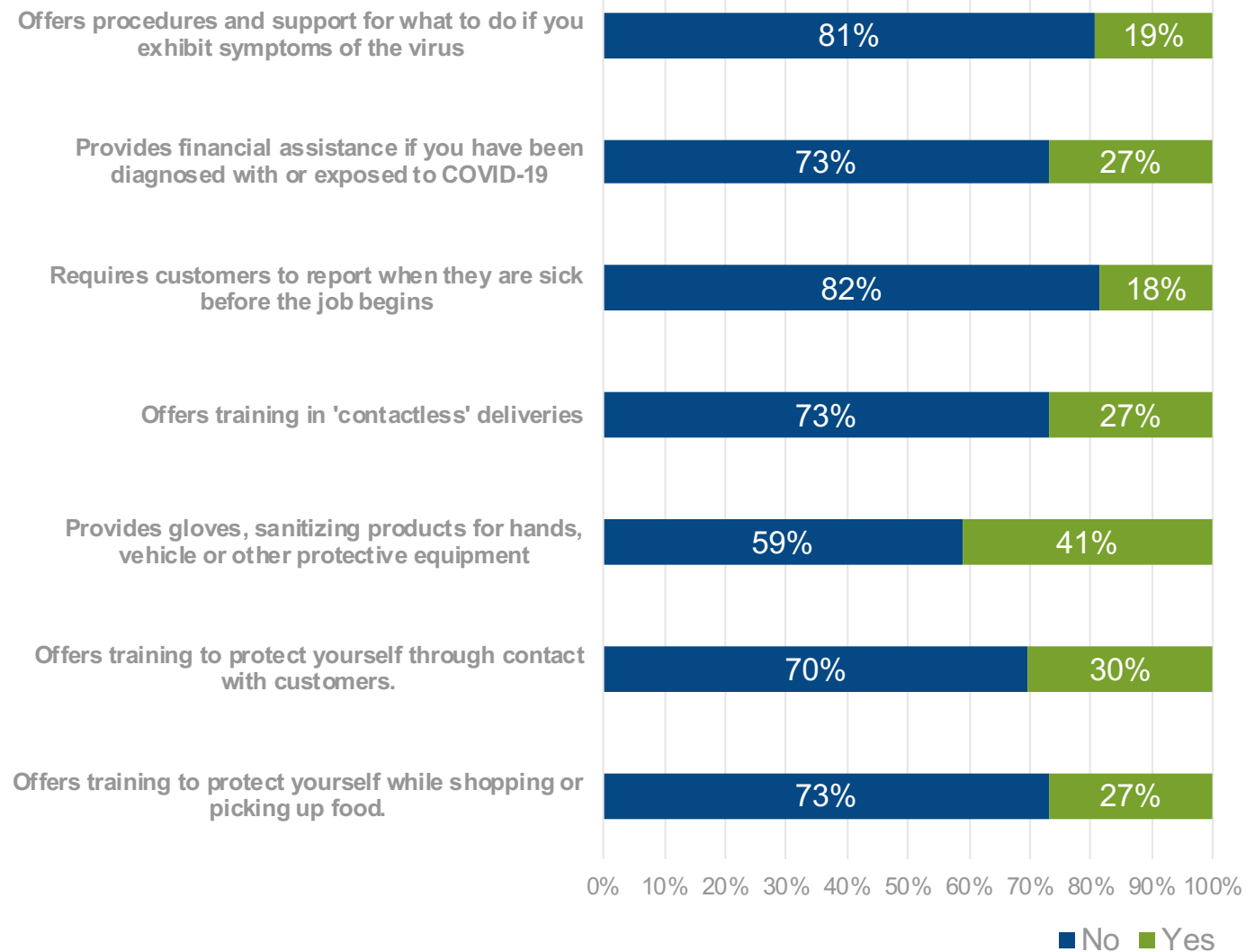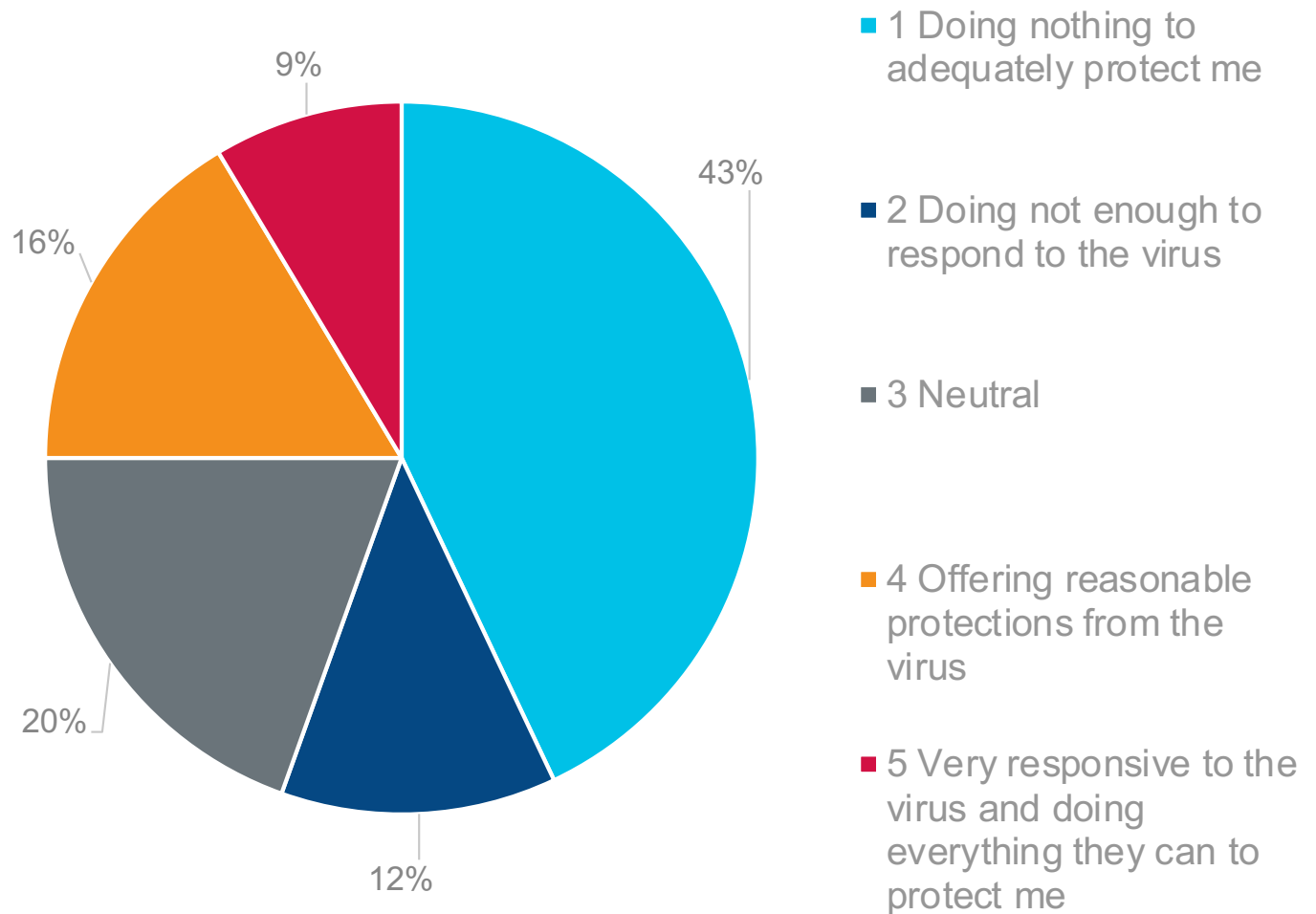
Calls for Government Action

- A substantial number of survey respondents were looking for public officials to take more action

    - 65% though public officials should provide free sanitizer, gloves and other protective equipment

    - 65% thought public officials should provide emergency financial assistance

    - 63% thought public officials should enforce laws so app-based workers who are misclassified as contractors could have access to unemployment, paid leave and other benefits under city and state laws

- Substantial numbers said they were in urgent need of help in relation to health and economic security
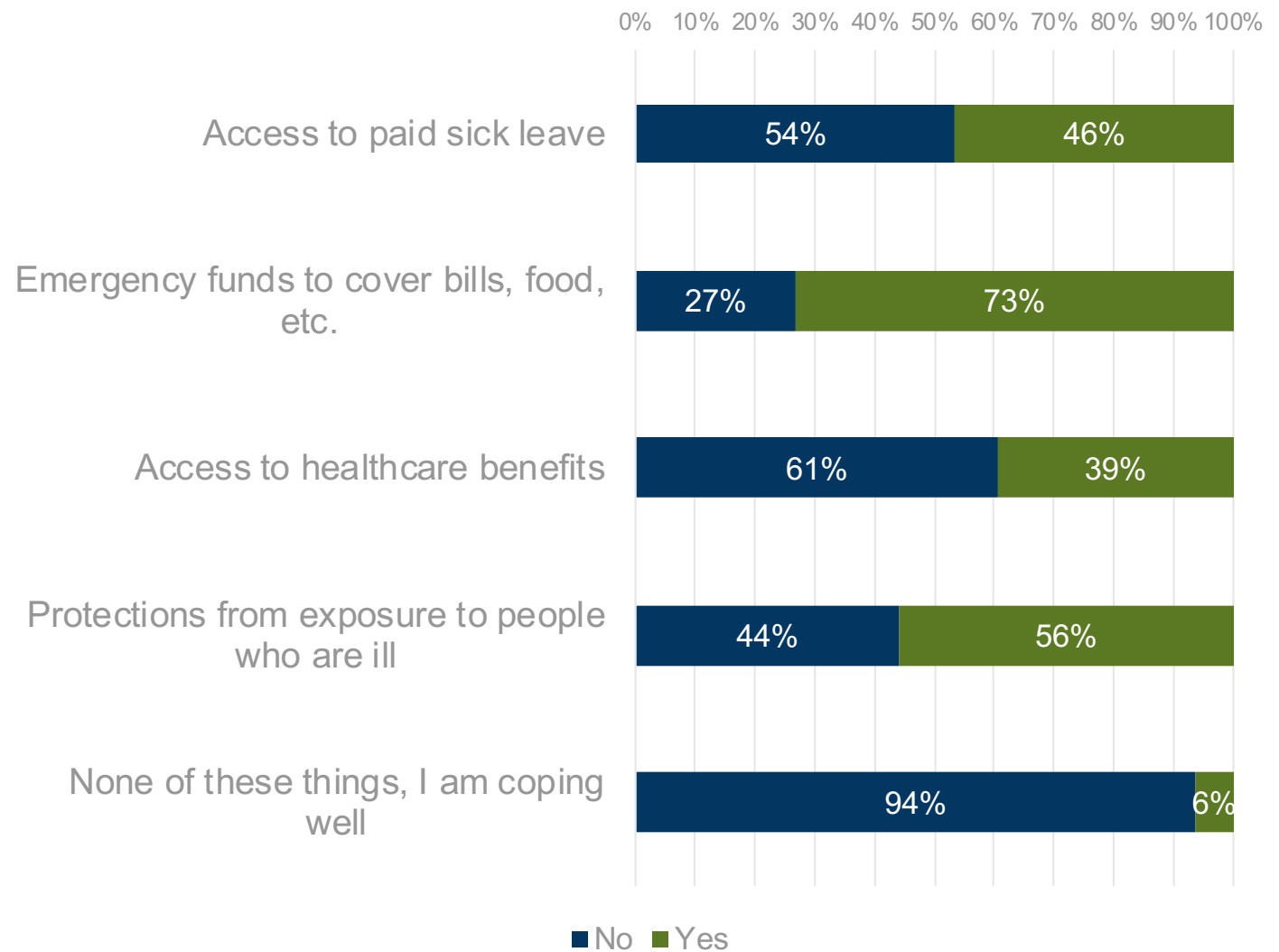
Institute for
Social Transformation
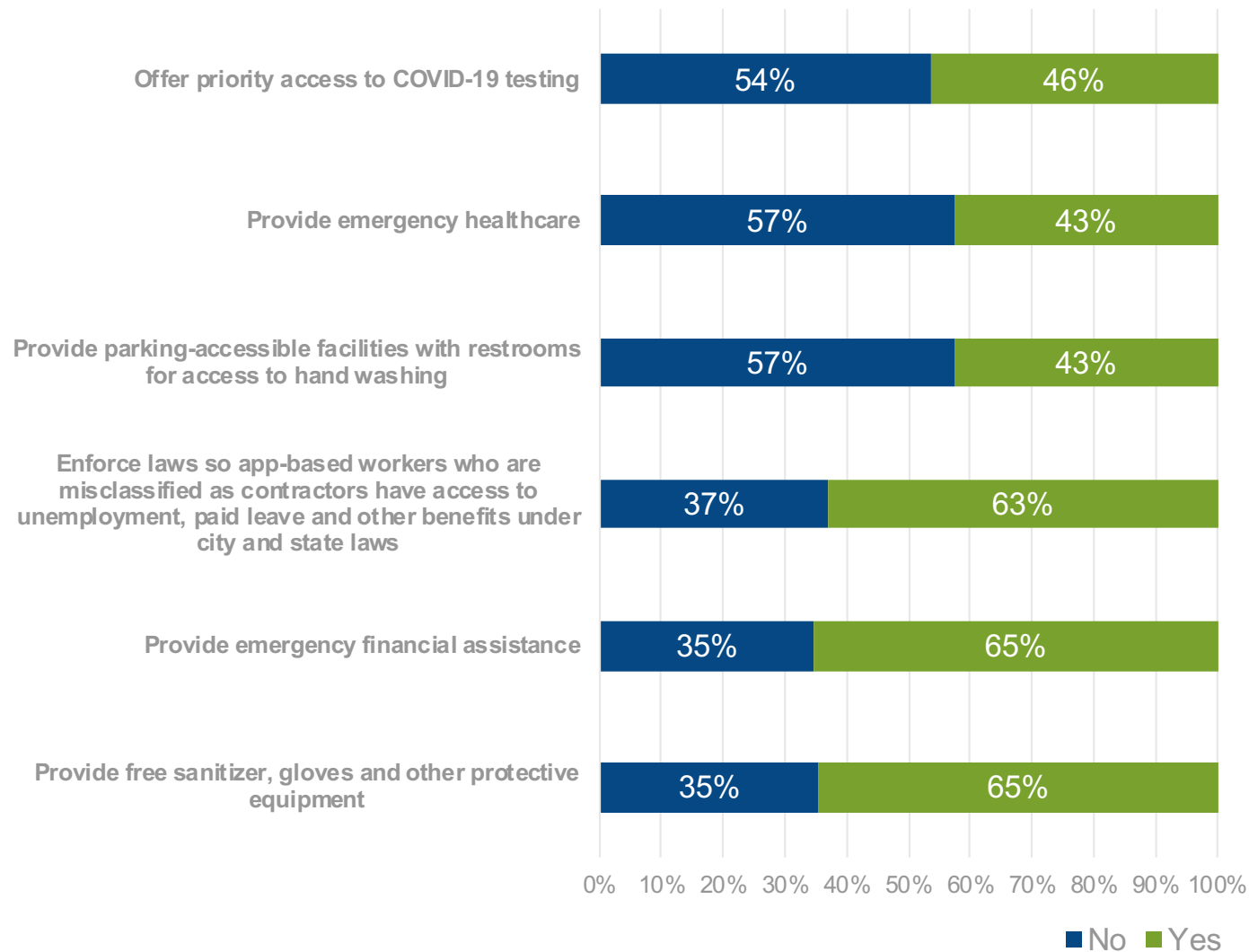
SUMMARY AND POLICY IMPLICATIONS

- 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 an incredibly diverse workforce, including nearly 80% People of Color and 56% immigrants form dozens of different countries.

- 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

Institute for
Social Transformation

Thank you.

UC SANTA CRUZ | Institute for **Social Transformation**

https://transform.ucsc.edu/