

# THE GIG IS UP

Time for rideshare companies to provide wage and fare transparency



Over **60% of Denver drivers** rely solely on **gig work** to pay bills.<sup>2</sup>



## WHO ARE GIG DRIVERS?

Gig workers are your Lyft, Uber, and Doordash drivers. The state estimates approximately

**62,113 workers**

drive for gig platforms across Colorado.<sup>1</sup>

Gig workers spent a median of

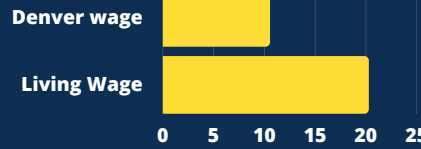
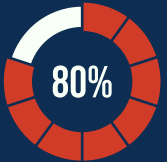
**38 hours/ week**

working on the apps they were surveyed using,



**6 in 10 drivers** rely on gig income to support their families.<sup>6</sup>

On average, Denver gig drivers receive nearly **80% of their weekly income** from app-based work.<sup>5</sup>



Accounting for out-of-pocket expenses and uncompensated working time, Denver drivers, on average, earn **\$10.53 per hour**. MIT estimates **\$20.25 to be a living wage** for a single adult in Denver.<sup>7</sup>

## THE GIG IS RIGGED



"Take rates" are the portion of what consumers pay that goes directly to rideshare platforms, can be between **50-70% of the rider's fare, but this data is not made publicly available**. For example:

As a rider, your app shows a fare of **10 dollars**; but what you don't see is that **only a fraction goes to the driver**



With a "take-rate" of 60%, **only 4 dollars go to the driver**. The rideshare platform takes the remaining 6 dollars as a profit



"I've been driving for Uber full-time for eight years now. I have steadily seen the amount of money we make per ride decline. I used to make at minimum \$25 from the airport to downtown, now the rides hover around \$15 per ride. The funny part is we often take identical rides via the same locations and distances yet we receive different rates. The companies' hidden algorithms put pressure on us to accept jobs even when we won't make a profit off of them. Through conversation, we know that passenger fares are rising, while the amount paid to us is going down...I don't get to see how much (riders) get charged which would help me understand their frustration. **If there were transparency on fares, earnings, and what the companies get I could make my own decisions about whether I'm getting a fair shake.**"

*-Eric Ametefe, Denver Uber driver*

Recent research shows that companies are using **coercive incentives and hidden algorithms** to differentiate fares and suppress wages in ways unknown to workers and riders.<sup>3</sup> National data also tells us the platforms are taking an **increasing share of fares**.<sup>4</sup>

Chicago data indicates platforms **spike consumer prices** by artificially manipulating the supply of rides, leading to higher fare pricing for non-white, below-poverty-level populations.

# WHY IT MATTERS

With Uber and Lyft corporate headquarters both in San Francisco, CFI estimates that more than:

**\$769 MILLION**

in economic value is leaking out of our state



If gig companies took just \$2.50 out of a \$10 fare, drivers would earn an **extra \$10/hour, or over \$20,000 more in annual income.**

Over **1 in 5 Denver drivers report being discriminated against** on the basis of their identity, and the majority are workers of color.<sup>8</sup>



Discrimination can lead to unjust terminations from app-based work; **15% of Denver drivers reported being deactivated** at some point, two-thirds of whom rely mainly on gig income to make ends meet.

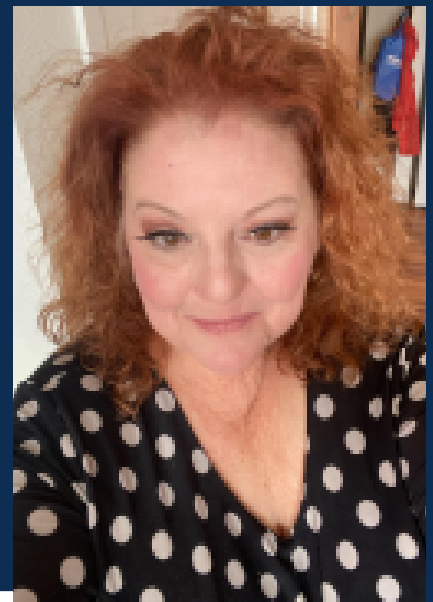
## TIME FOR A CHANGE: PASS SB23-098

It is time for this multibillion-dollar industry to be accountable for fair wages and employment practices, like every other industry.



### WHAT IT REQUIRES:

- **Transparency on take-rates;** gig companies would disclose how much of a customer fare goes to the driver and how much goes to the company
- **Anti-discrimination protections** for drivers and a transparent process for workers to challenge unfair terminations through the Division of Labor
- **Disclosure of destination and fares** to drivers so that they can plan their time more efficiently, and have the information to determine which rides to take.
- **Disclosure of accurate information related to wages, time worked, and expenses.**



"Uber, without any warning or communication, changed their algorithm of how we are paid for rides, and refuses to disclose how the fares are calculated...last year, my average rate of pay per mile was \$1.16. Now, my rate can be as low as \$.91 per mile. That is a difference of \$.25 per mile. When you drive 4,000 miles a month, it is a difference of \$1000 a month."

**-Ayomi Meadows**

VIEW THE FULL REPORT AT:  
[coloradofiscal.org](http://coloradofiscal.org)



### References:

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6. See number 2
7. See number 2
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