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### Introduction

In this report, BW Research Partnership (BW Research) seeks to determine how much Massachusetts app-based rideshare drivers and delivery workers (collectively, "drivers") working on the DoorDash, Instacart, Lyft, and/or Uber platforms earn per hour on average, using aggregated driver earnings data and related information provided by each of these four companies for a six-month period in 2021.¹ Our analysis is modeled on methods and assumptions used by researchers at the Cornell University, ILR School's Institute for Workplace Studies in their 2020 report *Platform Driving in Seattle* (the "Cornell study").² This "Cornell model" sought to quantify driver earnings in Seattle after driver expenses and accounting for a portion of the time before and between rides. Other secondary data sources for our earnings analysis include AAA's average per-mile costs associated with driving in 2021, and the U.S. Energy Information Administration's (EIA) fuel prices in Massachusetts.

A survey of Massachusetts drivers<sup>3</sup> was conducted to further inform the earnings analysis and gain greater insight into how drivers use and earn on rideshare and delivery platforms. This survey (the "Beacon Research survey") was conducted by Beacon Research, with input and analysis by BW Research and its project partner Mass Insight.

Additionally, an analysis was made of the pay typically available in other sectors of the Massachusetts economy that represent alternative forms of work to which many drivers might turn were app-based rideshare and delivery earnings opportunities not available.

# **Executive Summary**

Following the Cornell model, and applying it to both rideshare and delivery platforms, we find that app-based rideshare and delivery drivers earning on the Uber, Lyft, DoorDash, and/or Instacart platforms in Massachusetts earned on average \$26.08 per hour during the April to September 2021 study period, a figure that accounts for driver expenses and includes a portion of time when drivers are on the app in the period prior to accepting an offered ride or delivery. This result is calculated from data provided by Uber,<sup>4</sup> Lyft, DoorDash, and Instacart for all drivers' gross earnings on their platforms in the Commonwealth,<sup>5</sup> and minus those same drivers' costs associated with vehicle operation. A complete explanation of how we handled driver time and expenses can be found beginning on pages 4 and 7, respectively.

<sup>&</sup>lt;sup>1</sup> Company data are provided by DoorDash, Instacart, Lyft, and Uber for April 2021 through September 2021. This date range was chosen because it represented the most recent two calendar quarters at the time the study began. BW Research had independent access to this data and full discretion in analyzing the provided data. BW Research worked with each company to establish uniform data definitions for purposes of this report. None of the platform companies involved in this report had access to data from other platform companies at any time. This report was commissioned by Flexibility and Benefits for Massachusetts Drivers.

<sup>&</sup>lt;sup>2</sup>Hyman, Louis, et al. Cornell University, 2020, *Platform Driving in Seattle* 

https://ecommons.cornell.edu/bitstream/handle/1813/74305/Cornell\_Seattle\_Uber\_Lyft\_Project\_Report\_\_\_\_Final\_Version\_\_JDD\_accessibility\_edits\_\_7\_14\_2020.pdf

<sup>&</sup>lt;sup>3</sup> Survey findings referenced in this report can be found here:

https://yesformassdrivers.org/wp-content/uploads/2022/03/Drivers-Experience-Memo-3.4.22.pdf https://yesformassdrivers.org/wp-content/uploads/2022/03/App-based-Drivers-Media-Memo-3.2.22.pdf

<sup>&</sup>lt;sup>4</sup> Uber provided separate data for its Uber Rides and Uber Eats platforms.

<sup>&</sup>lt;sup>5</sup> Data include all rides or deliveries on the platforms that began in Massachusetts during the study period.

Based on data provided by the platforms about the specific types of vehicles used by Massachusetts drivers for their work during the study period, we find total costs of vehicle operation to app-based rideshare and delivery drivers in Massachusetts to be \$0.26 per mile on average.

 Consistent with the Cornell model, driver earnings include base earnings- plus, as applicable, driver incentive or bonus payments and tips. Expenses are driver marginal expenses. Our treatment of expenses and driver time preceding or between rides or deliveries is explained in detail below.

We find that hourly earnings for Massachusetts app-based drivers are substantially higher than those for taxi drivers and chauffeurs, as well as those for retail salespersons, counter and rental clerks, cashiers and cooks (fast food), which were the jobs selected by the Cornell researchers as benchmarks in their study of earnings of rideshare drivers in Seattle.

Our process for organizing and analyzing the various data sources, determining overall marginal costs for vehicle operation by category and per mile, and calculating final average rate of \$26.08 per hour for drivers earning on the Uber, Lyft, DoorDash, and/or Instacart platforms in Massachusetts is explained in the following sections.

# **Data for Driver Hourly Earnings**

#### DATA USED TO CALCULATE HOURLY EARNINGS

The foundational data to calculate Massachusetts app-based driver hourly earnings using the Cornell model consisted of total driver earnings in dollars, total driver qualifying working hours, and total driver qualifying miles, as defined below.

Uber, Lyft, DoorDash, and Instacart provided the following data to BW Research for each week from the week of March 29, 2021 through the week of September 27, 2021:

- Total driver earnings in dollars that week
- Total driver qualifying hours that week
- Total driver qualifying miles that week
- Vehicle make, model, and year information for the 100 most common vehicles used throughout the six-month period<sup>6</sup>
- Type of work (rideshare or delivery)

"Driver earnings" include base earnings- plus, as applicable, driver incentive or bonus payments and tips.

<sup>&</sup>lt;sup>6</sup> Some companies were only able to provide partial vehicle data regarding the vehicles used by drivers who use their platforms. This partial data was used to extrapolate to total based on the full dataset and estimates from other similar companies. For example, if 75% of the relevant data was provided, the calculations were based on the assumption that vehicle categories would be similarly distributed for the remaining 25%. A small portion of deliveries are performed with bicycles.

"Qualifying hours" are those hours that the Cornell researchers counted as "work" under their preferred model for what time on app should, in their view, be regarded as "work." Specifically, qualifying hours include:

- the time drivers spent driving a passenger or delivery to their destination, known in the industry as "period 3" or "P3";
- the time drivers spent en route to pick up a passenger or delivery, known as "period 2" or "P2"; and
- the time drivers spent on an app preceding an accepted ride or delivery, designated as "P1 preceding a ride" by the Cornell study.<sup>7</sup>

Companies provided week-level driver hours to BW Research trimmed to include all P2, all P3, and all P1 preceding a ride or delivery.<sup>8</sup>

"Qualifying miles" are all miles driven during qualifying hours. "Qualifying gallons" are gallons of fuel consumed during qualifying miles, based upon MPG estimates derived from information provided to BW Research about the 100 most common vehicle makes, models, and years used by Massachusetts drivers active on each of the platforms during the study period.

"P1 proceeding a ride or delivery" is a concept found in the Cornell study, where it is defined as "P1 time that is immediately followed by P2 time." A more detailed description can be found below.

All figures presented in this analysis are weighted to properly reflect the proportionate number of hours and/or miles associated with each platform. Uber provided separate datasets for its Uber rideshare and Uber Eats delivery platforms.

All data were provided in aggregated form at the week level, meaning that average earnings were calculated. No data about individual drivers was provided or used for this study. This differs from the Cornell study where median earnings were reported due to the researchers' use of data at the driver level.

The present study methodology includes an additional element which the Cornell study did not include but described as desirable: triangulation of quantitative estimates made by researchers with a survey of drivers' experiences.<sup>9</sup>

None of the platform companies involved in this report had access to data from any other platform companies at any time.

<sup>&</sup>lt;sup>7</sup> A detailed explanation of P1 preceding a ride, including what P1 it includes and excludes, can be found below, in the section titled "The Unconventional Nature of P1 Time."

<sup>&</sup>lt;sup>8</sup> Due to differences in how data is structured and maintained across the platforms, there was an instance in which trimmed P1 time was not available. An assumption was made by reference to available trimmed P1 to impute missing P1 time.

<sup>&</sup>lt;sup>9</sup> One example of such triangulation in this study is the alignment between quantitative estimates of P1 preceding a ride and driver responses from a February 2022 survey conducted by Beacon Research, as explained in detail below.

### "The Unconventional Nature of P1 Time"

An analysis of the hourly earnings of app-based rideshare and delivery drivers necessarily encounters this question: How to treat and account for that portion of time, known in the industry as "period 1" or P1, in which a driver is logged into the app but is neither performing a ride or delivery service (P3 time) nor en route to do so (P2 time)? The challenge is that platform companies' app data does not, and cannot, directly answer the question of what a driver is actually doing during any given moment of P1 time.

During all time when a driver is using a platform company app - including during P1—a driver is not required to accept ride requests or delivery requests offered to them via the app. They are free to reject such requests and platform companies impose absolutely no control on them during P1. These facts highlight the unconventional nature of P1 and illustrate a key reason why app-based platform work is so different from an employment relationship, where an employer can require an employee to perform tasks, and the employee is not free to reject such tasks. Nothing in this report should be construed to imply that drivers are performing work during P1 or that P1 time should be compensable.

During P1, a driver may be doing many different things, including taking care of personal tasks, doing nothing, or performing a service on a competing platform (many drivers multi-app), all while leaving the app running prior to accepting a ride or delivery, as opposed to waiting for the next offer of work. The Cornell study describes the issue presented by what it terms "the unconventional nature of P1 time:"

"P1 time is the most controversial of the periods to consider because P1 challenges our conventional notions of work. When does work begin? For a regular job, the answer is easy: when I arrive at the workplace the job begins. For ride-sharing the answer is more complicated because even after the app is on, we don't know what the driver is doing. The complication emerges because we typical [sic] think of work time as exclusive. That is, a person can't perform two tasks at exactly the same time. P1 time could be spent patiently waiting for a passenger on the app, driving through another platform, working another job, or just watching YouTube...."10

The Cornell researchers describe and consider three approaches to handling P1 for purposes of thinking about driver earnings, including to include all P1 time in their hourly earnings calculations and to include none at all. (The former approach results in a lower reported hourly earnings number and the latter a higher one.) The approach the Cornell researchers describe as preferable and a "reasonable middle ground," however, is a measure they label "P1 Preceding Ride." Under this measure, all P1 time that occurs in advance of an accepted offer of a ride (or, for our study, ride, or delivery) is counted in the calculation of driver hourly earnings. P1 time that leads up to a declined offer of work (that is, declined by the driver) is not counted, however, nor are instances where the app is turned on, but the driver accepts no offer of work before logging out. As explained in the Cornell study, the logic of using the P1 Preceding Ride measure "is that during this time, we have evidence that the driver was clearly waiting to pick someone up. In this case, you should drop any P1 time that did not precede a ride."

While not addressed in the Cornell study, there are two additional reasons to discount P1 time leading up to a declined offer of work. First, some driver declines occur where drivers turn down offered work in the belief they will make more money, or otherwise be better off, seeking out and accepting a different offer even if it takes longer to receive. Workers in the employment economy are not generally allowed to decline to work while on the job. Second, P1 time leading to a declined offer of work may be associated with a scenario in which the driver is multi-apping and declines the work because he or she is currently busy providing a ride or delivery service obtained via a different platform.

The Beacon Research survey provides support for the P1 preceding ride/delivery approach. Findings suggest that approximately 80% of drivers at times engage in other activities not related to app-based work during P1. When drivers were asked how often they kept the app running even when they were taking breaks or mainly doing personal tasks, such as eating, running errands, or commuting between their home and the areas where they drive, the most frequent response was "almost all the time," followed by "sometimes" and "often" (66% of total respondents). Another 14% reported they did so at least occasionally, while only one in five (20%) said they never did. The survey also asked, "how would you describe how much time you spend waiting to get an offer of a ride or delivery?" 55% of drivers said "hardly any" or "not much" and 38% felt they spent a "fair amount." Only 6% reported spending "a lot."

Our analysis uses the Cornell "P1 Preceding Ride" measure to determine how much P1 to include in what we call "qualifying hours." Qualifying hours are what we use in our calculation of average hourly earnings of Massachusetts app-based rideshare and delivery drivers.

<sup>&</sup>lt;sup>10</sup>Hyman, Louis, et al. Cornell University, 2020, *Platform Driving in Seattle* 

# **Driver Expenses in Detail**

### **Sources for Expenses Analysis**

#### **CORNELL STUDY**

The Cornell Study informed the organization of data for the model and estimates of hourly earnings in a wage-like format. The vehicle depreciation rates per mile (-\$0.019)<sup>11</sup> as determined by the Cornell study were used for this report for several reasons. As mentioned in the Cornell study, the federal government (or IRS) and AAA depreciation rates per mile vary considerably and are based on a pool that includes disparate vehicle types, including many not typical of vehicles used by app-based drivers such as large SUVs and pickup trucks. Cornell study depreciation estimates were based on a regression analysis of vehicles used on rideshare platforms, <sup>12</sup> making the per mile estimate more accurate in this case. From depreciation rates, the Cornell study provided a road map to isolate costs relevant to the Massachusetts study. Marginal costs to app-based drivers from vehicle operation are listed in the following sections.

Marginal costs were applied as they are applicable to all drivers regardless of the time working (e.g., extensive use, moderate use, occasional use of the platforms) and can be attributed to miles and operation of the vehicle during rides and deliveries (additional costs for units of production). This was the conclusion reached by the Cornell study with respect to their calculation of median driver earnings and is one of the reasons marginal costs are used for this application. Additionally, the Beacon Research survey found that the great majority of drivers would have a vehicle even if not driving with app-based platforms and nearly all use their vehicle for personal use and needs in addition to app-based work. Put another way, few drivers acquire a vehicle for the purpose of earning on app-based platforms, and almost none use that vehicle exclusively for app-based work.

Fixed costs such as vehicle registration and vehicle financing payments are incurred by drivers regardless of whether they are working and as concluded by the Cornell study, are less tied to vehicle use during rides and deliveries (costs incurred regardless of production).<sup>13</sup> As such, fixed costs were not applied for this study.

#### AAA

On a yearly basis, AAA publishes a "Your Driving Costs" brochure<sup>14</sup> that lists marginal costs of vehicle operation such as fuel, maintenance, and vehicle depreciation. For the purposes of this study, only AAA's maintenance cost data were used, because more accurate sources for fuel and depreciation are available (see below). These data are available for nine separate vehicle classes, from small sedans to half-ton/crew-cab pickups. The vehicle classes also include hybrid and electric vehicles. These vehicle classifications along with maintenance cost per mile (assuming 15,000 miles per year) were appended to the vehicle make and model data provided by the app-based platform companies.

<sup>&</sup>lt;sup>11</sup> Hyman, Louis, et al. Cornell University, 2020, Platform Driving in Seattle

<sup>12</sup> TNC company data

<sup>&</sup>lt;sup>13</sup>Hyman, Louis, et al. Cornell University, 2020, *Platform Driving in Seattle* 

<sup>&</sup>lt;sup>14</sup> https://newsroom.aaa.com/wp-content/uploads/2021/08/2021-YDC-Brochure-Live.pdf

#### EIA

The U.S. Energy Information Administration (EIA) provides monthly fuel cost data (all types) by state. The data for Massachusetts was averaged across the six months between April and September 2021, which equals \$2.99 per gallon. A search of AAA, Kelley Blue Book, and cars.com websites was performed in order to collect highway and city gas mileage estimates by the vehicle make, model, and year in the list provided by the app-based platform companies. Because the actual mix of city and highway driving miles during the study period is not established by the available data, it was conservatively assumed for purposes of this study that all driving during qualifying miles was conducted as city driving. Thus, the miles per gallon (MPG) assigned to each vehicle in the fleet is its city MPG.<sup>15</sup>

# **Model for Expenses Analysis**

#### **DEPRECIATION AND MAINTENANCE**

Depreciation was applied at the same rate (-\$0.019) across all vehicle types, while vehicle maintenance was applied on a per mile basis depending on vehicle category (see Table 2). This calculation was conducted using the known or extrapolated weighted mix of vehicles used by drivers on each platform and miles traveled and summed for the total maintenance cost.

| Table 1: Vehicle | Categories an | d Maintenance | Cost per Mile | (2021) |
|------------------|---------------|---------------|---------------|--------|
|------------------|---------------|---------------|---------------|--------|

| Vehicle Category   | Maintenance Cost per Mile (AAA) |  |  |
|--------------------|---------------------------------|--|--|
| Compact SUV        | \$ 0.099                        |  |  |
| Compact SUV Hybrid | \$ 0.088                        |  |  |
| Medium Sedan       | \$ 0.104                        |  |  |
| Medium SUV         | \$ 0.100                        |  |  |
| Small Sedan        | \$ 0.088                        |  |  |
| Small Sedan Hybrid | \$ 0.088                        |  |  |
| Subcompact SUV     | \$ 0.099                        |  |  |

#### **FUEL COST**

Fuel costs were calculated by using the average city MPG across vehicles and converting qualifying miles into qualifying gallons to determine total cost using the U.S. Energy Information Administration (EIA) Massachusetts average fuel cost of \$2.99 per gallon over the six-month time-period. As with maintenance costs, the calculation from qualifying miles to qualifying gallons to estimate fuel costs was measured using the weighted mix of vehicle miles traveled by drivers on each platform and summed for the total fuel cost.

<sup>&</sup>lt;sup>15</sup> Of course, some of the qualifying miles were almost certainly highway miles. As a result, this assumption produces an upper-bound (i.e., probably overly-high) estimate of fuel costs.

#### INSURANCE RIDER/ENDORSEMENT

Insurance companies in Massachusetts can require drivers across app platforms to purchase an insurance endorsement or rider. The estimated cost, generated from the highest amount identified on test quotes, is \$100 per year, regardless of the number of rides or deliveries given. BW Research estimated the total number of unique drivers by summing the number of drivers active on each platform during the study period, then applying a deduplication factor (because some drivers were active on two or more platforms) derived from Beacon Research's preparation of Massachusetts app-based driver polling samples. This total was multiplied by \$50 (half of the yearly cost for the six-month time period) for total insurance endorsement cost. This is the only fixed cost (e.g., not mileage based) included in the analysis.

# **Expenses Expressed on a Per-Mile Basis**

Total costs were calculated within each of the four marginal cost categories across the five app platforms. These total costs were then divided by total qualifying miles to arrive at cost per mile. The overall cost per mile is \$0.258, which is approximately \$0.068 higher than the cost per mile in the Cornell Study. The Cornell Study did not account for insurance (\$0.028) per mile and fuel prices vary over time and place.

| Category     | Cost per Mile |  |  |  |
|--------------|---------------|--|--|--|
| Depreciation | \$ 0.019      |  |  |  |
| Maintenance  | \$ 0.098      |  |  |  |
| Fuel         | \$ 0.113      |  |  |  |
| Insurance    | \$ 0.028      |  |  |  |
| TOTAL        | \$ 0.258      |  |  |  |

Table 2. Vehicle Cost per Mile by Category

# **App-based Driver Hourly Earnings Calculated**

The equation used to calculate final average hourly earnings and the inputs used are shown below. The calculation takes total driver earnings, subtracts the various costs of driving in Massachusetts, and divides by total qualifying hours to arrive at a final hourly earnings figure. Total costs by category across app platforms, as well as total unique drivers and total qualifying hours, are included in the table below.

<sup>16</sup> We reference five app platforms because Uber Rides and Uber Eats are treated as separate platforms for purposes of our analysis.

Figure 1. Equation for Hourly Earnings Calculation

TOTAL Driver - ( Cost per Mile 
$$x = 0$$
 Cost per Mile  $x = 0$  Cost

Table 3. Inputs for Hourly Earnings Calculation

| Total Driver Earnings              | \$ 562,816,264 |  |  |  |  |
|------------------------------------|----------------|--|--|--|--|
| Total Maintenance Cost             | \$ 29,162,110  |  |  |  |  |
| Total Fuel Cost                    | \$ 33,762,699  |  |  |  |  |
| Total Insurance Cost               | \$ 8,360,214   |  |  |  |  |
| Total Depreciation Cost            | \$ 5,656,758   |  |  |  |  |
| Total Unique Drivers <sup>17</sup> | 167,204        |  |  |  |  |
| Total Qualifying Hours             | 18,629,164     |  |  |  |  |

# **Occupational Alternatives**

To help place our Massachusetts app-based driver earnings findings in context, we examined wages and compensation in a number of jobs characterized as benchmarks in the Cornell study or that Massachusetts app-based drivers themselves identified in responses to the Beacon Research survey as their most likely alternative forms of work, if app-based driving work was no longer available to them. Additionally, we looked at what sorts of jobs drivers most frequently hold simultaneously while engaging in app-based work.

The Cornell study benchmarked hourly earnings of Seattle rideshare drivers against earnings for taxi drivers and chauffeurs and for four other jobs that the Cornell researchers characterized as either reasonable comparisons or typical service economy jobs. <sup>18</sup> Table 2 shows relative pay among these jobs in Massachusetts. We find that hourly earnings for Massachusetts app-based drivers are substantially higher than those for taxi drivers, retail salespersons, counter and rental clerks, cashiers and cooks (fast food), which were the benchmark jobs identified by the Cornell researchers.

 $<sup>^{17}</sup>$  See page 9 for an explanation of how the number of unique drivers was estimated.

<sup>&</sup>lt;sup>18</sup> Hyman, Louis, et al. Cornell University, 2020, Platform Driving in Seattle

Table 4. Massachusetts Hourly Earnings for Jobs the Cornell Study Characterized as "Benchmark Jobs"
Against Which to Evaluate Earnings of App-Based Drivers

| App-based rideshare and delivery drivers  | \$<br>26.08 |
|---|-------------|
| Retail salespersons                       | \$<br>16.16 |
| Counter and rental clerks                 | \$<br>20.34 |
| Taxi drivers and chauffeurs <sup>19</sup> | \$<br>17.55 |
| Cashiers                                  | \$<br>14.45 |
| Cooks, fast food                          | \$<br>14.98 |

Source: JobsEQ wages and demand by occupation in Massachusetts (2021)

Two out of every three Massachusetts drivers (69%) work a full- or part-time job simultaneously while engaging in app-based work, according to the survey. Poll respondents' other jobs were most commonly in the healthcare or food service (including restaurants and bars) sectors, at 8% each, but a broad array of occupations and industries were represented in survey results and no single industry, or handful of industries, predominated. Tech/IT, education/teacher, and construction were among several fields that accounted for 5% to 6% of jobs, for example, while professional or sales roles made up 3% each. The survey found that Massachusetts drivers' educational attainment was roughly similar to that of the state as a whole, consistent with this occupational diversity.

When asked what type of job or industry they would seek work in if app-based driving work were no longer available to them, drivers' responses clustered much more tightly. Drivers perceived three fields as their most likely alternative options: food service (including restaurants and bars) at 15%; brick-and-mortar retail (13%); and warehouse work/driving for a distribution facility (13%). Cleaning, childcare, and healthcare comprised the other three fields that at least 5% of drivers envisioned as jobs in lieu of being able to do app-based rideshare or delivery work. Twice as many drivers identified these collective industries as likely alternative sources of work than actually work in them now, which perhaps reflects that, unlike many occupations and industries, these may have comparatively low barriers to entry and large amounts of part-time work available.

The following table reports average Massachusetts hourly wages, and average hourly total compensation for occupations in fields that drivers characterized as their most likely potential alternatives if rideshare or delivery work was not available. Additional jobs associated with transportation and delivery were also included for reference. Compensation for the potential occupational alternatives includes additional derived benefits where provided (e.g., paid leave, supplemental pay, insurance, retirement and savings, and legally required benefits).

<sup>&</sup>lt;sup>19</sup> Wages derived from a staffing pattern analysis of Passenger Vehicle Drivers within the Taxi and Limousine Service industry (NAICS 4853) in Massachusetts.

Table 5. Total Average Wage and Compensation in Massachusetts for Selected Occupations in Fields
Drivers Most Often Characterized as Potential Alternative Work

| Occupation   |    | Total Average<br>Hourly Wage <sup>20</sup> |    | Total Average Hourly<br>Total Compensation <sup>21</sup> |  |
|--|----|--|----|--|--|
| HOSPITALITY OCCUPATIONS  |    |  |    |  |  |
| Waiters and Waitresses   | \$ | 16.07                                      | \$ | 19.60  |  |
| Hosts and Hostesses, Restaurant, Lounge, and Coffee Shop               | \$ | 14.92                                      | \$ | 18.20  |  |
| Hotel, Motel, and Resort Desk Clerks                                   | \$ | 15.59                                      | \$ | 19.02  |  |
| First-Line Supervisors of Food Preparation and Serving Workers         | \$ | 22.27                                      | \$ | 27.17  |  |
| Bartenders   | \$ | 16.25                                      | \$ | 19.82  |  |
| Cooks, Restaurant  | \$ | 16.88                                      | \$ | 20.59  |  |
| Cooks, Short Order   | \$ | 15.28                                      | \$ | 18.64  |  |
| Dining Room and Cafeteria Attendants and Bartender Helpers             | \$ | 15.36                                      | \$ | 18.74  |  |
| RETAIL OCCUPATIONS   |    |  |    |  |  |
| Retail Salespersons  | \$ | 16.16                                      | \$ | 20.59  |  |
| First-Line Supervisors of Retail Sales Workers                         | \$ | 25.41                                      | \$ | 32.38  |  |
| Customer Service Representatives                                       | \$ | 22.12                                      | \$ | 28.18  |  |
| Cashiers   | \$ | 14.45                                      | \$ | 18.41  |  |
| Stockers and Order Fillers   | \$ | 16.60                                      | \$ | 21.15  |  |
| TRANSPORT & MATERIAL MOVING OCCUPATIONS                                |    |  |    |  |  |
| Taxi Drivers and Chauffeurs  | \$ | 17.55                                      | \$ | 23.31  |  |
| Couriers and Messengers  | \$ | 17.86                                      | \$ | 23.16  |  |
| Driver/Sales Workers   | \$ | 18.53                                      | \$ | 28.13  |  |
| Ambulance Drivers and Attendants, Except Emergency Medical Technicians | \$ | 15.58                                      | \$ | 20.20  |  |
| Machine Feeders and Offbearers   | \$ | 16.40                                      | \$ | 24.89  |  |

<sup>&</sup>lt;sup>20</sup> Wages include tips where applicable.

<sup>&</sup>lt;sup>21</sup> Compensation includes wages plus the value of any benefits received and is calculated by BLS from payroll data, surveys and other sources.

| Passenger Vehicle Drivers                              | \$<br>21.05 | \$<br>27.30 |
|--|-------------|-------------|
| Laborers and Freight, Stock, and Material Movers, Hand | \$<br>18.21 | \$<br>27.64 |
| Packers and Packagers, Hand                            | \$<br>14.93 | \$<br>22.66 |
| HEALTHCARE & SOCIAL ASSISTANCE OCCUPATIONS             |             |             |
| Home Health Aides                                      | \$<br>16.29 | \$<br>22.45 |
| Dental Assistants                                      | \$<br>24.88 | \$<br>34.29 |
| Medical Assistants                                     | \$<br>20.72 | \$<br>28.56 |
| Orderlies  | \$<br>17.10 | \$<br>23.57 |
| Medical Secretaries and Administrative Assistants      | \$<br>21.59 | \$<br>29.76 |
| Medical Transcriptionists                              | \$<br>19.06 | \$<br>26.27 |
| Childcare Workers                                      | \$<br>15.92 | \$<br>21.94 |

Source: JobsEQ wages and demand by occupation in Massachusetts (2021), BLS National Employee Compensation Supplementary Tables (June 2021)

### Flexibility.

Comparing app-based drivers' earnings with wages paid (and benefits sometimes provided) in traditional work arrangements omits a factor drivers appear to value as much or more than anything else: *flexibility*. The Beacon Research survey found that 92% of Massachusetts drivers said "being able to control my own schedule" was a major reason why they did app-based driving and 62% of drivers characterized schedule flexibility as what they like most about the work. Approximately 97% agreed with the proposition that app-based driving "provides me with flexibility to choose when, where, and how I work, which I can't get from a traditional job" (81% strongly agreed).

### Benefits.

In this report, we present information about total compensation, a figure that includes the value of benefits, as well as wages received, in occupations that might be alternatives to app-based driving. As independent contractors, drivers do not receive certain benefits employers may be legally required to provide to employees above their earnings. This does not necessarily mean that drivers do not have benefits from some other source—69% of Massachusetts drivers have a full-time or part-time job in addition to engaging in app-based work, per the Beacon Research survey. Those who choose app-based driving also appear cognizant of potential pros and cons in selecting their work. When asked whether "receiving benefits that employees typically receive like health insurance, workers' compensation, and unemployment benefits" or "maintain[ing] schedule flexibility" was more important to them, 78% of survey respondents selected flexibility.

### Conclusion

Massachusetts app-based rideshare and delivery drivers working on the DoorDash, Instacart, Lyft, and/or Uber platforms during the period April to September 2021 earned \$26.08 per hour on average, after accounting for driver expenses and including time when drivers are on the app in the period prior to accepting a ride or delivery. These earnings are substantially higher than those for Massachusetts taxi drivers and chauffeurs and four other occupations that researchers at Cornell University characterized as benchmarks against which to evaluate app-based driver earnings in their 2020 study of Seattle rideshare driver earnings.