Seattle's App Gap:

How gig companies exclude workers from basic protections, and drive pay down below minimum wage

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> ***"I have to put in 70 or 80 hours a week just to get by.*** *Each order only pays $4. Sometimes that doesn't even cover our gas and mileage costs! All us workers want is fair pay. Not much, just enough to make sure we can survive in this city. Enough to live out the inflation and other economic impacts to us. Enough to have a bowl of cereal. Enough for the family, for ourselves, for Seattle."*
>
> *— Wei Lin, GoPuff worker*

INTRODUCTION

The gig economy has grown rapidly in recent years, with numerous app-based platforms disrupting multiple lines of business and reaching multi-billion-dollar valuations.

More than 16% of US adults report having done app-based work at some point, including 20% of Black adults and 30% of Latino adults.[1] The pandemic sparked particularly rapid growth in food delivery; DoorDash is valued at $23 billion[2] and estimate they are responsible for $1 in every $20 of US restaurant business.[3] Uber's food delivery business now represents more sales value than their core ride-hail business. Instacart is currently valued at about $24 billion, and filed to go public in May 2022.[4] And Gopuff has collected $2.5 billion of investment capital over the course of last year and is valued at about $40 billion.[5]

Seattle's gig economy has also expanded rapidly: a 2021 study found that 11.2% of Seattle households have ordered app-based grocery delivery since the pandemic, and more than a quarter of households have used a restaurant gig delivery service.[6] Many gig platforms also have a significant engineering presence in the Seattle area, including Uber, DoorDash, Gopuff, Amazon Flex, Rover, and others.

App-based platform work has also expanded well beyond food delivery.

Companies like TaskRabbit and Handy offer a range of home-based services; Rover and Wag offer pet care services; and platforms like Poached Shifts and Wonolo offer gig-based staffing of dishwasher, warehouse, and other positions.

While each of these platforms operates somewhat differently, they all share a fundamental similarity: by classifying their workers as "independent contractors," they're able to evade all fundamental labor protections — most notably the minimum wage. Expenses which would normally be borne by a conventional employer — such as employer-side payroll taxes and the expense of operating a delivery vehicle — are instead shifted to workers, and not reflected in pay rates.

By classifying workers as "independent contractors," app companies are able to evade all fundamental labor protections.

There has been substantial public controversy over how gig workers are paid — and how much they earn. Past practices by which Instacart, DoorDash, and

Amazon Flex misappropriated customer tips have been revealed and largely stamped out under intense pressure from workers and customers, but pay itself has remained opaque and is not well-researched. While app companies have significant data about customers' pay, they do not disclose this data publicly and have not shared it for independent review. The major app companies release this data only through their own citation of opaque "average hourly earnings" figures, which are inflated using several factors: reporting gross earnings that blend tips with pay, failure to account for the cost of mileage or any other expenses, and failure to account for all the time required to do the work.[7] Aside from these corporate statements, data about gig workers' actual earnings is scarce. Previous national data analyses conducted by the Pay Up campaign found effective hourly pay after basic expenses of just $7.66/hour for Instacart shoppers and $1.45/hour for DoorDash drivers. However, that data was sampled on a national basis and dates from before the pandemic, which prompted rapid growth of both customers and workers on the platform.

As Seattle City Council considers implementing a pay standard for app-based workers, and public attention to the issue grows, we felt it would be useful to expand on existing data analysis by analyzing earnings across apps in Seattle's gig economy.

This report, the first such crowdsourced study of app working conditions in Seattle, confirms that pay rates are so low that Seattle gig workers typically take home well below minimum wage after expenses.

Our analysis of more than 400 job reports collected from workers for on-demand delivery apps, and an analysis of practices by worker-facing and public-facing marketplace app platforms, provides clear evidence that across the gig economy, workers' pay falls significantly short of minimum wage.

"The flexibility is important to me because we have two girls we need to pick up and take home from school, and I was also taking classes in community college. But the pay is impossible to live on. ***My earnings for the month of March were just under $1,230, and with my total costs of $671, I brought home less than $600*** *for the whole month."*

— Ma Hernandez, DoorDash worker

KEY FINDINGS

$9.58
per hour

Across all on-demand delivery jobs, average pay was $9.58/hour after expenses – about half of Seattle's minimum wage.

Calculating net hourly pay by factoring in the cost of mileage at the IRS rate and basic expenses at 13% of pay,[8] the average delivery paid just 55% of Seattle's $17.27/hour minimum wage. This figure accounts only for "engaged" time spent on the individual job, from when the worker accepted the job to when they completed it; it does not factor in the extra time associated with each job, like driving to a "hotspot" to receive offers, managing accounts, or contacting support. A thorough accounting of this "associated time" would reduce average hourly pay further.

92%
of jobs paid below minimum wage

92% of jobs in the sample had net pay below Seattle's minimum wage, and no on-demand delivery app had an average hourly net pay that met Seattle's minimum wage.

Net pay across all delivery apps was substantially below minimum wage, with 92% of all jobs paying less than $17.27/hour. DoorDash jobs represented the lowest average net pay per hour ($7.97/hour), followed closely by Grubhub ($8.11/hour) and Gopuff ($8.79/hour).

1/3
of workers' earnings came from tips

About one-third of workers' earnings came from tips. But even if tips were treated as pay, workers' total net earnings would still fall significantly below minimum wage.

This report focuses on earnings paid directly by apps and does not factor in tips, because tips are supposed to be a supplement to pay. However, even when analyzing total earnings including tips, pay still falls below minimum wage, with 53% of restaurant delivery jobs and 51% of grocery delivery jobs resulting in net earnings (company pay and tips) below minimum wage.

$0.00

1 in 8 jobs would net below $0 without Seattle's hazard pay

Without Seattle's temporary mandated hazard pay,[9] 99% of delivery jobs would pay below minimum wage, 71% of jobs would pay less than half of minimum wage, and more than 1 in 8 jobs would pay below $0.

Without the temporary $2.50/job emergency hazard pay required by the City of Seattle, 99% of delivery jobs would pay below minimum wage for engaged time after expenses. Additionally, 89.8% of restaurant delivery jobs and 54.5% of grocery delivery jobs would pay below half of Seattle's minimum wage. And 12.5% of jobs would have net pay below $0 because the cost of mileage and other expenses would be more than the company paid.

Average pay per job on grocery apps was higher than on restaurant apps, but required more mileage and time, resulting in average hourly net pay of $11.09/hour for grocery delivery and $8.71/hour for restaurant delivery.

Average grocery delivery pay per job ($13.08 gross per delivery) was significantly higher than restaurant delivery ($6.62 gross per delivery). However, the average grocery delivery also involved 78% more time and 29% more mileage than the average restaurant delivery. As a result, net hourly pay was $11.09/hour for grocery apps Instacart, Shipt, and Gopuff, versus $8.71 for restaurant apps DoorDash, Grubhub, and Uber Eats.

Marketplace apps like TaskRabbit and Rover encourage workers to offer services at rates that fall below minimum wage when workers' expenses and total work time are taken into account.

Default suggested rates to workers on TaskRabbit for services including delivery and senior care fall below the minimum wage after factoring in workers' basic expenses and the additional time they must work outside of direct job time. Rover allows for rates as low as $8/hour in gross pay for dog walking, and Rover's suggested rates for drop-in visits come to about $15/hour in hourly net pay when a minimal accounting of workers' basic expenses and time is taken into account.

$79M

boost for workers if the law required minimum wage

Raising gig worker pay to minimum wage after expenses would provide a direct economic boost of approximately $79 million.

Using a conservative estimate from gig companies that the city's 40,000+ gig workers average 5 hours per week, raising pay from the current average of $9.58/hour to the minimum of $17.27/hour would result in an aggregate $79 million yearly economic boost from the bottom up. A gig worker who currently has to work more than 72 hours to earn the equivalent of full-time minimum wage job, could reduce those hours to 40 and maintain their income.

OVERVIEW OF APPS IN THIS REPORT

Restaurant & Grocery Delivery Apps

	Average gross pay per job	% of jobs with hourly net pay below minimum wage[10]	Average net hourly pay (with hazard pay)[11]	Average net hourly pay (without hazard pay)
DoorDash	$6.81	**94.6%**	**$7.97/hour**	$2.83/hour
Grubhub	$6.54	**95.6%**	**$8.11/hour**	$3.12/hour
Uber Eats	$6.17	**78.6%**	**$12.87/hour**	$5.13/hour
Instacart	$15.37	**91.4%**	**$12.05/hour**	$9.33/hour
Gopuff	$8.39	**95.5%**	**$8.79/hour**	$4.58/hour

Marketplace Apps

	Minimum suggested pay per hour		Minimum allowed pay per hour	
	Gross pay rate	Hourly net pay rate[12]	Gross pay rate	Hourly net pay rate
TaskRabbit	$20/hour (for senior care jobs)	**$13.92/hour**	$15/hour (for all jobs)	**$10.44/hour**
Rover	$21.60/hour (for drop-in visits)	**$15.03/hour**	$16/hour (for a half-hour walk)	**$11.14/hour**
Handy	$22/hour (for house-cleaning)	**$15.31/hour**	*(Handy sets all initial cleaning rates at $22/hour and does not allow cleaners to increase their rates.)*	

> "***I depend on the flexibility to feed my family, but I'm facing extremely low pay and high expenses, like car repairs and gas.*** *And it adds up in ways you can't always predict. I had to pay $2500 just for one repair. The low pay of gig work is embarrassing to me and the family. Base pay is so low I've had to put off medical care and move because I couldn't afford where I was living."*
>
> *— Bill Allred, DoorDash/Instacart/Uber Eats worker*

REVIEW OF KEY APP PAY MODELS
& SEATTLE PAY RATES

Restaurant Delivery Apps

While there are a handful of smaller players, **DoorDash, Uber Eats, and Grubhub dominate the Seattle restaurant delivery market**. As detailed below, each of these platforms operates somewhat differently, but all of them pay well below minimum wage after expenses. The average restaurant delivery job in our sample provided gross pay of $6.62 per job.

Average hourly net pay for more than 200 restaurant delivery jobs in our sample was $8.71/hour.

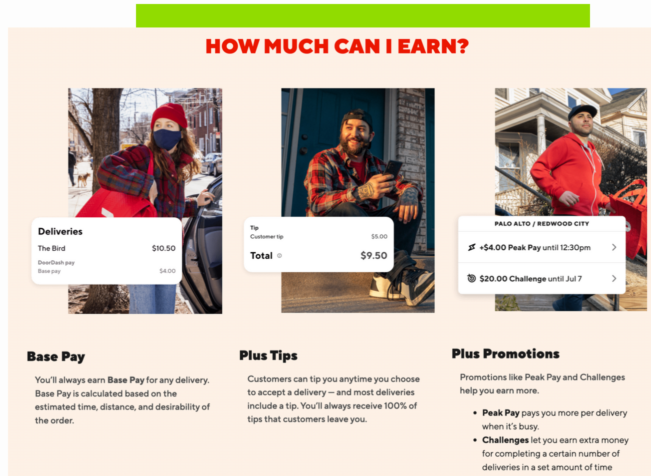
Food delivery jobs in Seattle are temporarily required to pay an additional $2.50 in hazard pay during the COVID public emergency. When this temporary policy expires, earnings could decrease sharply; gross pay on the average restaurant delivery job in our sample is just $4.12 per job without hazard pay. **The average hourly net pay without hazard pay comes to $3.26/hour.**

Delivery companies' revenues on these orders come from a combination of restaurant- and customer-paid charges. **Restaurant delivery apps typically take about 15-20% of the listed menu price from the restaurant.**[13] Customer-paid charges come in the form of various "service" and "delivery" fees. Promotions frequently reduce these customer charges, the specific rates seem to be ever-changing, and service fees can vary from restaurant to restaurant.

However, this money is not paid directly to workers. All of the various revenue sources for these companies (restaurant commissions, advertising and promotion fees, customer charges) are simply retained by the company. **Despite the implication of customer charges listed under names like "delivery fee", there seems to be no particular relationship between customer charges and worker pay.** Customers are simply charged as much as possible while maintaining the sale, while workers are paid as little as possible to complete the job. So a job with a $10 delivery fee and 15% service charge paid by the customer might be offered to a worker at just $3, while a job with free delivery for the customer might pay $7 or $8.

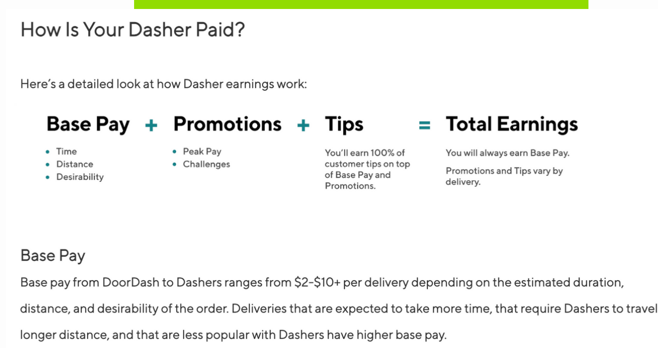
DoorDash

DoorDash sets rates for delivery jobs based on a black-box algorithm,[14] which the company claims to set using time, distance, "effort," and other factors.[15]



DoorDash's minimum pay is $2 per job, and additional $2.50 hazard pay in Seattle sets an effective minimum of $4.50 per job.

Many jobs in fact pay that little, and a majority of DoorDash jobs in the sample reported pay between $4.50 and $5.75.



In fact, our analysis of Seattle deliveries found DoorDash pay averages $7.97/hour after accounting for basic expenses —

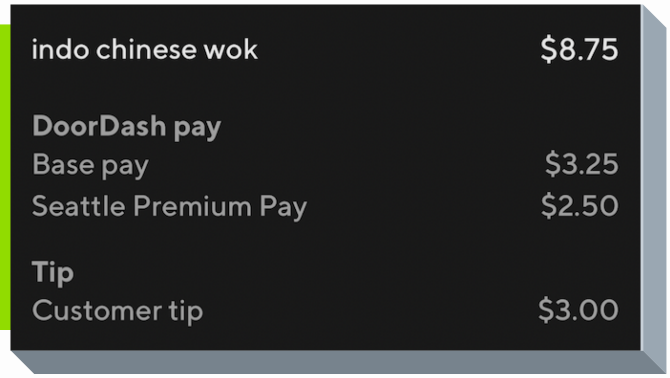
and pay would average just $2.83/hour after expenses if not for Seattle's emergency COVID hazard pay law. DoorDash pay was the lowest of any app in the sample.

While DoorDash's website purports that base pay is calculated based on the estimated time, distance, and "desirability" of an order, **we were unable to find a meaningful correlation between base pay for a job and the minutes and/or miles spent on that job**. For example, compare these three jobs from February 2022, which each paid $5 in DoorDash pay:

Base pay	Hazard Pay	Tips	Minutes	Miles	Net Hourly Pay
$2.50	$2.50	$4.00	**20**	**2.5**	$9.23/hour
$2.50	$2.50	$7.50	**40**	**10**	-$1.11/hour
$2.50	$2.50	$0.00	**30**	**4.7**	$3.92/hour

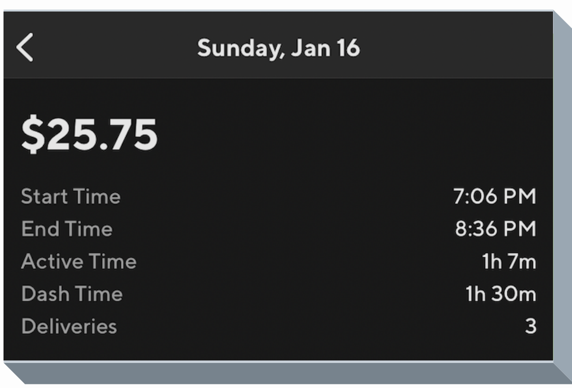
In fact, the only meaningful correlation we could find regarding DoorDash base pay was the relationship between base pay and tips: **jobs with tips of $1 or less had an average base pay of $5.75 (plus hazard pay), while jobs with tips of more than $1 had an average base pay of $4.00 (plus hazard pay)**. DoorDash changed their pay model in 2019 after public outcry about their practice of stealing tips by reducing company pay when customers tipped higher.[16] However, by blending tips and pay on job offers sent to workers as a single “guaranteed earnings” amount for each job, DoorDash still pays less on average for offers with higher tips.[17]

Pay reports for workers on DoorDash include only information about DoorDash pay and the customer tip; **they do not provide any explanation of how base pay for the job was calculated**. For example, see the pay report for this Seattle job from February 12th, 2022.



While DoorDash’s job pay reports include information about company pay and the customer tip, **they do not include records of the time or miles spent on the job, resulting in an impression of higher pay per job than workers’ real net pay**. The job above presents as paying $8.75; in reality, after factoring in the cost of mileage ($2.05 for 3.5 miles of driving) and additional expenses ($0.48 for additional costs, at 13% of the pay after mileage), **the $5.75 in DoorDash pay for this job only results in net pay of $3.22.**

The worker who completed the above job reported that it took 30 minutes from acceptance to drop-off, leaving him with net pay of $6.44/hour. (Note that this hourly figure is calculated based on “DoorDash pay,” not including tip; however, even factoring in the tip results in net earnings of just $11.66/hour for this job.)



DoorDash workers are also provided reports for each day of work that breaks down active time (total engaged time spent on jobs, from acceptance to dropoff) and total "Dash Time," i.e. on-app time (time spent logged into the app and receiving offers). **However, earnings on these reports are not broken down into pay, tips, and hazard pay**, unlike the “job-level” reports above.

Information about mileage spent on each delivery is tracked by the app, but not reported anywhere to workers. As a result, workers are unable to calculate their effective hourly pay without independently logging every minute and mile spent on each delivery. There’s good reason for DoorDash to obscure this information from workers: after factoring in mileage and other expenses, 94.64% of DoorDash jobs paid below Seattle’s minimum wage ($17.27/hour), and 61.71% of jobs paid below half of the minimum wage ($8.63/hour).

Uber Eats

Uber Eats also uses a black-box algorithm to set pay, using a "base fare" and "trip supplement" (see the screenshot at right from Uber's website).[18] The company adopted an updated pay model in September 2020 which workers reported reduced their pay;[19] Uber offered only the rationale that base pay was reduced to "make room for the addition of trip supplement".[20] At that time, they also stopped publishing rates, effectively eliminating all pay transparency.

How are delivery fares calculated?

Here's how your fare is calculated:

Base fare + Trip supplement + Promotions + Tips = Total

The base fare, trip supplement and promotions are used to calculate your upfront trip earnings. You will see how much you'll make on a delivery before you decide to accept it.

BASE FARE
Includes your pay for pickup, dropoff, time and distance.

TRIP SUPPLEMENT
Added to make every delivery worthwhile. A Trip Supplement payment takes into account many factors to make sure trip earnings are reflective of that trip, such as when we notice the total time and distance (including your travel time to a restaurant) is longer than expected.

PROMOTIONS
Boost or Surge

TIPS
100% of tips you earn belong to you and are always an addition to your earnings.

TOTAL
You always earn a base fare and 100% of your tips. Availability of trip supplement and promotions may vary.

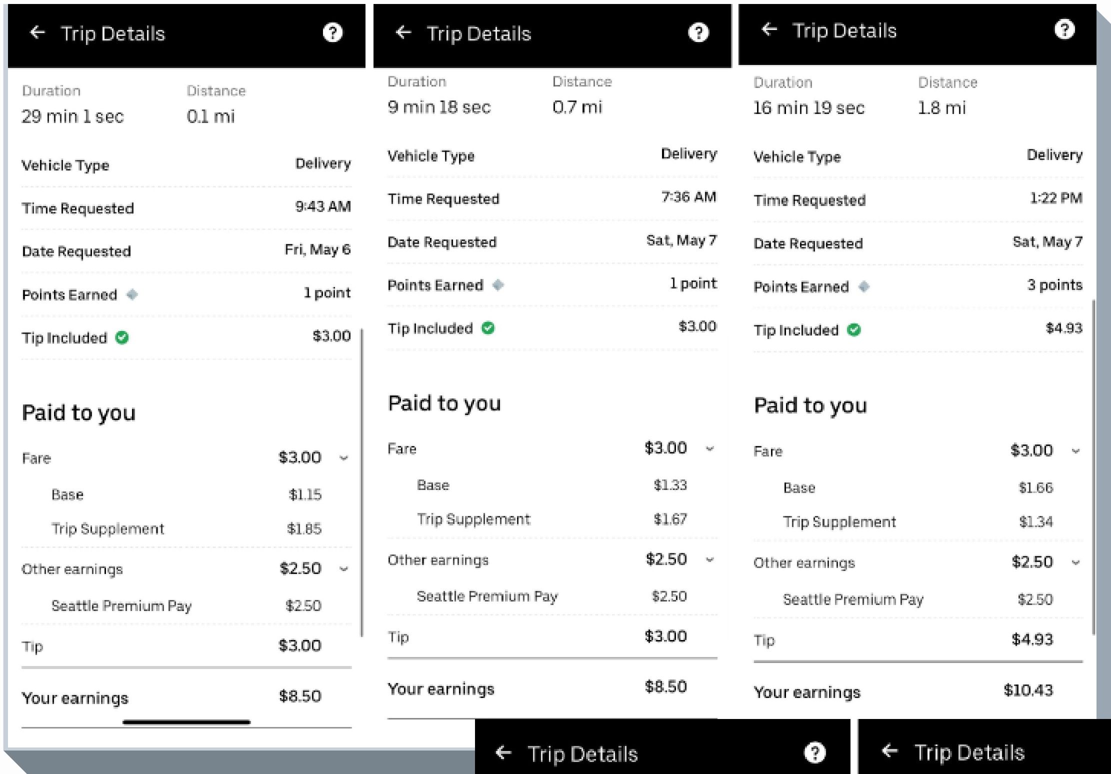
Our analysis of Seattle Uber Eats deliveries found worker pay averages $12.87/hour after accounting for basic expenses – and pay would average just $5.13/hour after expenses if not for Seattle's emergency COVID hazard pay law.

While Uber Eats pay was the highest of the restaurant delivery apps included in the sample, **about 79% of Uber Eats jobs still paid below Seattle's minimum wage**, and 100% of Uber Eats jobs in the sample would fall below minimum wage without hazard pay included.

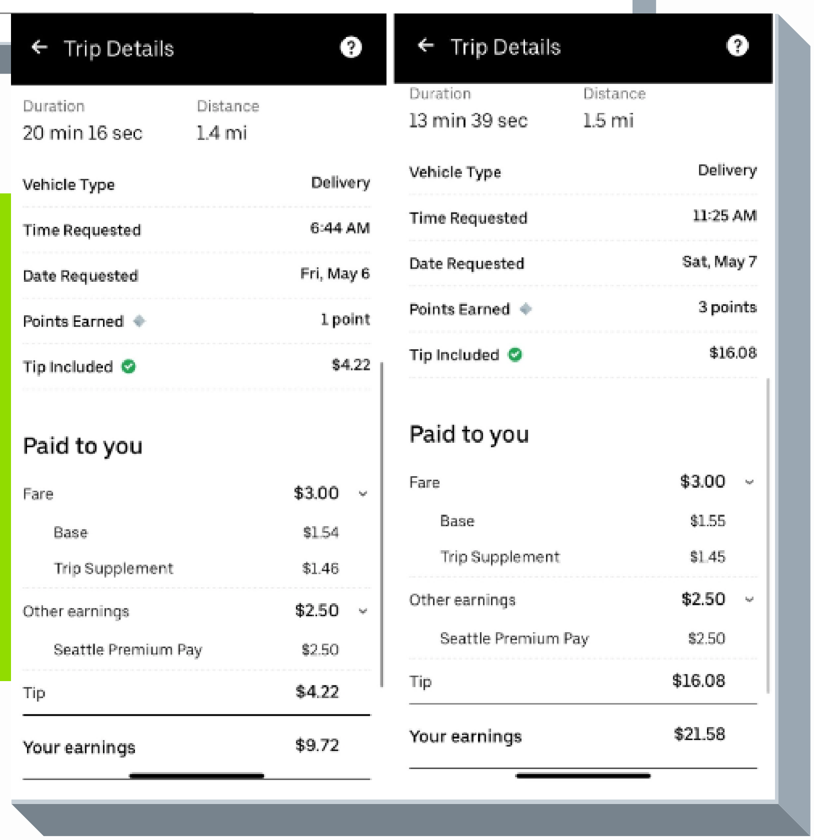
Additionally, 83% of Uber Eats jobs would fall below half of minimum wage without hazard pay, and 19% would fall below $0 because the cost of mileage and basic expenses would exceed pay.

While Uber claims that the base fare for each delivery includes "your pay for pickup, dropoff, time, and distance," and that the trip supplement accounts for "many factors… such as when we notice the total time and distance is longer than expected," **there are no rates for pickup, dropoff, time, or distance published and no clear correlation between these factors and the amount of base pay on a given job**.

For example, **one worker submitted reports from eleven total jobs he performed over the course of two days, which each had “fare” pay of $3,** despite dramatically different amounts of “base pay,” time spent on the job, and miles spent on the job. The total “fare” (Uber Eats pay) for these jobs does not appear to correspond with either the time or distance spent on the job; “fare” for every single job was just $3, while time ranged from 9 minutes to 29 minutes and reported distance ranged from 0.1 miles to 1.8 miles:



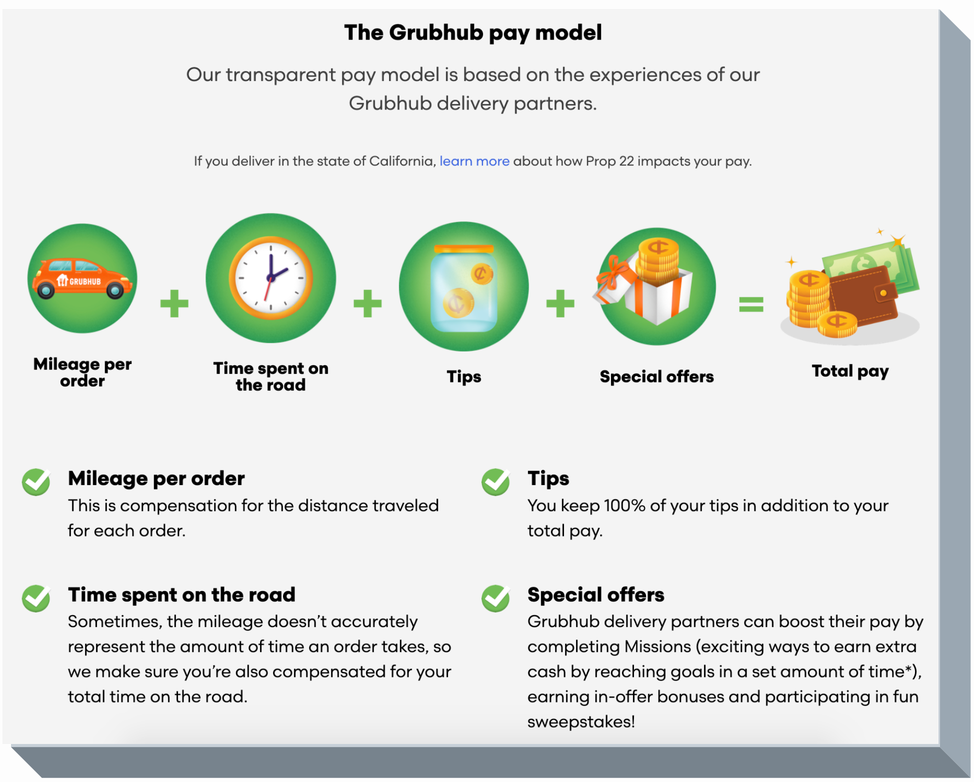
Even the “base pay” component of fare, which Uber claims to calculate based on time and distance, cannot be mapped meaningfully to these factors. **For example, one job from this set of submissions with base pay of $1.54 reported a duration of 20 minutes 16 seconds, while another with base pay of $1.55 reported a duration of 13 minutes 39 seconds:**



The apparently arbitrary relationship between pay on Uber Eats and the time and miles spent on each job explains the wide array of hourly net pay amounts represented in the overall sample, which ranged from $0.03/hour to $27.83/hour. **While Uber Eats' average net hourly pay was the highest among restaurant delivery apps in the sample, their average pay per job was the lowest, at $6.17 per delivery.** The relatively higher hourly net pay is the result of lower minutes and miles per job (20 minutes and 3.41 miles on Uber Eats, compared to 27 minutes and 4.44 miles across all restaurant apps). Because these jobs are shorter, workers may spend relatively more work time between jobs (for example, reviewing offers or communicating with support staff) that is not accounted for by our net earnings figures. Accounting for this additional work time may reduce effective earnings per hour of work and bring Uber Eats workers' net earnings more closely in line with earnings for the other restaurant delivery apps in the sample.

Grubhub

Grubhub uses an ostensibly more transparent pay model than other apps; their website claims pay is calculated based on "mileage per order," "time spent on the road," tips, and special offers (i.e. bonuses).[21] However, the actual rates used in this calculation are not disclosed to workers. And notably, **Grubhub's "time" pay is based only on time spent traveling — workers are not paid based on time spent waiting at restaurants for orders.**



Our analysis found that Grubhub deliveries had average pay of $8.11/hour after expenses, and would average just $3.12/hour after expenses without Seattle hazard pay.

After DoorDash, Grubhub's net hourly pay was the lowest among apps represented in the sample.

While **Grubhub does not disclose the rates used to pay "mileage" or "time"** in either their explanation of their pay model or on workers' pay reports, the mileage rate can be inferred from the listed miles and mileage pay on workers' pay reports:

8:16PM	Accepted	Shodai Teriyaki $2.28 delivery pay + $4.25 bonus + $0.93 mileage (4.043 mi) + $3.04 tip	$10.50
8:42PM	Accepted	Dawat Grill and Bar $2.00 delivery pay + $2.50 bonus + $0.86 mileage (3.739 mi) + $6.85 tip	$12.21
9:39PM	Accepted	SUBWAY® $2.99 delivery pay + $2.50 bonus + $1.63 mileage (7.087 mi) + $4.87 tip	$11.99

Grubhub's mileage rate is just $0.23/mile — well less than half of the current IRS rate ($0.585/mile).

This means that for every mile a Grubhub driver travels on an order, they actually lose net income. **Grubhub jobs in our analysis did appear to effectively pay less per hour for each mile driven** — average net hourly pay for jobs of 3 miles or less was $9.64/hour, while average net hourly pay for jobs of more than 3 miles was $6.96/hour.

Additionally, **Grubhub does not report time spent on each job to workers on their pay reports**, despite their claim that "delivery pay" is based on travel time. Workers must track their time independently if they wish to calculate their effective hourly pay.

Further, Grubhub's estimates are notoriously inaccurate. As reported on KUOW, the app remains unaware that the West Seattle Bridge is closed, and so wildly underestimates the time and miles required to travel from elsewhere in the city to West Seattle.[22] **Pay is not updated based on the actual time and miles required to complete the job**; in fact, the app flags such jobs as taking longer than expected, potentially resulting in penalties to the worker. The worker bears the entire additional expense of these inaccurate estimates, just as they bear the entire expense of time waiting to pick up at a restaurant.

Grocery Delivery Apps

The grocery delivery market saw extraordinary growth during the pandemic, with Instacart, Shipt, and Gopuff all substantially expanding their offerings. Grocery shopping and delivery apps like Instacart and Shipt typically involve substantially more time per job than restaurant delivery, primarily due to time spent shopping and waiting in checkout lines. They also tend to require substantially more communication with customers, as substitutions often need to be made for out-of-stock items.

The average grocery job in our sample paid $13.08 ($10.58 without hazard pay), but **required 48 minutes of time and 5.73 miles of driving**.

Grocery delivery tends to pay more than restaurant delivery per job, but net hourly pay for over 150 grocery jobs in our sample was just $11.09/hour, and would be only $7.87/hour without hazard pay in effect.

Grocery delivery apps' revenues come from a combination of rates charged on the cost of goods and fees charged directly to the customers. Grocery shopping and delivery apps typically take about 10-15% of the cost of goods sold from the store,[23] and also charge customers various delivery fees and service fees. Gopuff uses a different model; because they serve as the retailer as well as the delivery service, they take the mark-up on wholesale prices and then charge customers a flat fixed delivery fee.

As with the restaurant delivery apps, there seems to be no particular relationship between customer charges and worker pay, and delivery fees are not paid directly to the person doing the work; all revenue sources are simply retained by the company. For example, a $200 Instacart order generating $40 in company revenue and a $25 order generating $5 in company revenue may pay the worker the same base rate of $7. Meanwhile, GoPuff charges $1.95 to customers per delivery, and collects additional revenue from wholesale mark-up, while paying workers a flat rate of $4 per delivery.

Instacart

Like DoorDash and Uber Eats, **Instacart uses a black-box algorithm to set pay, with a pay floor of $7 for jobs that include shopping and delivery, and $5 for jobs that involve picking up bags** at the store and delivering them to customers.[24]

Instacart's own stated policy makes it clear subminimum-wage pay rates are by design: **at $5 per job, even a very short job taking 20 minutes of time would be paying below Seattle's minimum wage**, *before* accounting for workers' expenses.[25]

Batch Payment

The Batch Payment takes into account the unique factors of a batch, such as store type, quantity and weight of items, and delivery distance. If applicable, this payment may include heavy pay.

The delivery distance payment is $0.60 per mile in the US ($0.40 CAD per kilometer in Canada) and is calculated from the first store's location to the customer's delivery address. In California, the delivery distance payment is $0.30 per mile from batch acceptance to customer delivery. The delivery distance payment per mile for the batch is based on the most efficient route shown in the app . Instacart considers fraudulently manipulating a route's time or distance as a violation of the full-service shopper account access guidelines, which may result in deactivation.

If you request to be unassigned from 1 order in a multi-order batch you already accepted, you won't receive pay for the unassigned order. Your final pay only reflects completed orders.

Peak Boost

Peak Boosts are an additional dollar amount offered on some batches when the need for shoppers is greatest. Peak Boosts are denoted by a flame.

Tips

Any customer tips are paid in addition to the Instacart Payment. Shoppers always receive 100% of tips.

How earnings are calculated

Instacart strives to pay the shopper community fairly and competitively for the time and effort it takes to shop, bag, and deliver groceries. Our earnings approach focuses on these points—

- Customer tips aren't included as part of what Instacart pays you for a batch.
- Instacart guarantees a minimum payment of $5 for each delivery-only batch and $7 to $10 for each full-service batch. If applicable, this payment may include heavy pay.

Your **Total Earnings** on a batch includes the Instacart Payment plus customer tip.

Earnings on all orders are calculated using the same approach, whether orders are placed through a partnership with a retail partner (e.g., OnLine Pay) or through Instacart.

Instacart Payment

The Instacart Payment for a batch includes—

- Batch Payment
- Peak Boost

In fact, the average Instacart job in Seattle takes 55 minutes of engaged time and 5.94 miles of driving. **Indeed, our analysis of more than 100 Instacart jobs found average hourly net pay of $12.05/hour; without Seattle hazard pay, the average would sink to just $9.33/hour.**

Instacart's black-box algorithm establishes an arbitrary relationship between pay and the time and miles spent on each job. The company claims to pay 60¢/mile[26] for travel from the store to the drop-off location, but **that mileage rate is simply listed as a component of the $5 minimum; it is not paid on top of the pay for a job**.

For example, take this job completed by a worker in December 2021:

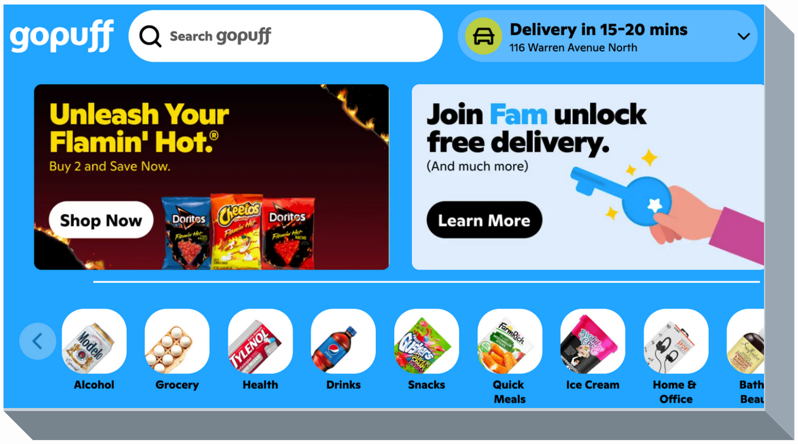
The $5 batch pay for this order "includes" mileage pay of $1.80 (3 miles at $0.60/mile, just over the IRS rate of $0.585), **leaving the worker with just $3.20 in actual batch pay from Instacart – even lower than their purported $5 minimum**. What's more, Instacart's reported mileage pay accounts only for miles traveled between the store and the customer, leaving the miles driven to the store after the worker accepts an offer entirely uncompensated. The worker who completed this job reported that it actually required 8 total miles of driving and 29 minutes of engaged time.

Batch earnings	**$7.50**
Batch pay	$5.00
Includes delivery distance ($0.60/mi x 3.0 mi)	
Seattle grocery delivery pay	$2.50
Tips	**$6.00**
Customer	$6.00
Total	**$13.50**

Despite these low minimum pay rates per batch, Instacart's average net pay was higher than most[26] delivery apps. But at $12.05/hour, this figure is still well below Seattle's minimum wage. **In fact, 91% of Instacart jobs in our sample paid below minimum wage after expenses**, and 98% would net below minimum wage if Instacart was no longer required to include hazard pay.

Gopuff

Gopuff's model is unique among delivery apps; rather than dispatching workers from their location to a store to pick up orders, Gopuff owns several hundred warehouses and other "micro-fulfillment centers."[27] **This model allows them to offer extremely fast deliveries, including advertised delivery times to customers within 15-20 minutes of ordering in Seattle.**



Gopuff's public statements boast that their "unique, vertically integrated business model" allows for a "hyper-local fulfillment system." Their pay structure and working conditions for delivery workers, too, are unique among gig apps: because Gopuff's model depends on pushing orders out for delivery within minutes of being placed, they **require workers to wait at the warehouse on shifts, and assign deliveries without offering workers the chance to reject or accept**, or even see any information about what the offer entails.

Unlike other gig apps, Gopuff does not purport to pay based on time, miles, effort, or other factors. Instead, each delivery pays a flat amount, which varies by market; **Seattle Gopuff warehouses pay just $4 per delivery**. Some deliveries require 7 or more miles of driving round-trip from the warehouse to the customer and back; at the IRS rate, the cost of driving 7 miles is $4.10, resulting in net negative income after factoring in mileage costs alone.

After accounting for mileage and other basic expenses, average net pay per hour on Gopuff deliveries in the sample came to just $8.79/hour; without hazard pay, this number would fall to $4.58/hour.

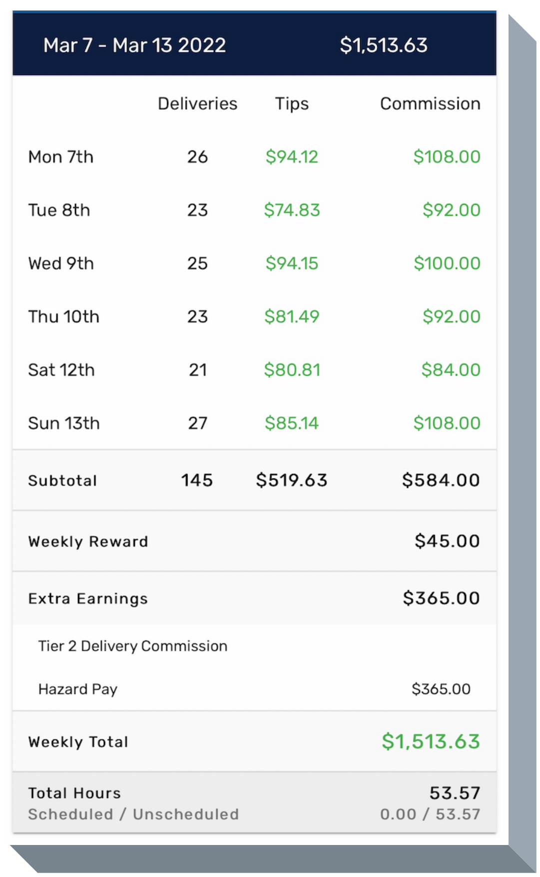
Note that these figures do *not* account for the time workers spend waiting at the warehouses between jobs; they are based only on workers' records of the duration of each delivery, from the time they left the warehouse to the time they returned. **Accounting for all of Gopuff workers' actual work time, including time spent waiting at the warehouse for deliveries, would result in considerably lower net pay per hour.**

Gopuff's initial model accounted for work time between deliveries by providing an "hourly guarantee" for time spent on shift. **Workers would select a number of "scheduled shifts" each week, which came with an hourly pay guarantee of $16.75/hour — notably, even this guarantee falls below Seattle's minimum wage**, *before* accounting for mileage and other costs. At the end of the week, Gopuff would pay the difference between workers' per-delivery commissions and the guaranteed hourly rate.

Even this minimal guarantee has been effectively discontinued. Warehouses in Seattle and other markets have begun phasing out the availability of "scheduled shifts," and now the vast majority of Gopuff workers' hours take the form of **"unscheduled shifts" in which they check in for their shift and wait at the warehouse for deliveries to be assigned, with no guarantee of pay**. As a result, workers can be left waiting at the warehouse for hours with no pay and no tips.

Gopuff's pay is the least transparent among all delivery apps.

The app reports pay to workers only on a weekly basis and does not provide any breakdown of time, miles, or tips on individual deliveries. As a result, the approach to analyzing this sample differed from other apps. Workers provided a total of 448 deliveries in the form of weekly pay reports, and this weekly data was used to calculate the average job for each day of work reported on the worker's pay stub.



Mar 7 - Mar 13 2022			$1,513.63
	Deliveries	Tips	Commission
Mon 7th	26	$94.12	$108.00
Tue 8th	23	$74.83	$92.00
Wed 9th	25	$94.15	$100.00
Thu 10th	23	$81.49	$92.00
Sat 12th	21	$80.81	$84.00
Sun 13th	27	$85.14	$108.00
Subtotal	145	$519.63	$584.00
Weekly Reward			$45.00
Extra Earnings			$365.00
Tier 2 Delivery Commission			
Hazard Pay			$365.00
Weekly Total			$1,513.63
Total Hours Scheduled / Unscheduled			53.57 0.00 / 53.57

Gopuff drivers' hourly subsidy and delivery commission rates are not listed on their pay stub or in the app; workers have simply extrapolated this information by tracking the information that is provided in pay stubs. For the week of work represented in the pay stub at right, the worker was paid $584 in delivery commissions ($4 per delivery for 146 total deliveries),[28] $365 in hazard pay ($2.50 per delivery for 146 total deliveries), and $45 as a "weekly reward" for completing a set number of deliveries throughout the week — a total of $994 of gross pay from Gopuff for 53.57 hours of work. The worker's average gross pay per delivery was $6.81; for an individual delivery requiring 30 minutes of time and 5 miles of driving, net pay would come to $6.76/hour for engaged time with a job, and would amount to even less after factoring in the time spent waiting at the warehouse for orders.

Pay on Gopuff was by far the lowest among grocery delivery apps in our sample.

As their model rapidly expands and their offerings become increasingly competitive with grocery store-based apps like Instacart and Shipt,[29] pay on these apps may be reduced to maintain market share. **Without hazard pay, 100% of Seattle Gopuff jobs in our sample would net below Seattle's minimum wage, and fully 9 in 10 jobs would net below half of minimum wage.**

"TaskRabbit controls the market rates by suggesting what you should charge for your work, and warning you if your rate is "too high." ***New "Taskers" are strongly encouraged to charge $18/hour for skilled work.*** *After expenses, this is far below minimum wage. Even before expenses, this is far below a living wage. I'm not doing this to save up for vacation. I'm doing this to pay rent, buy food, buy medicine — survive."*

— Magnolia Klee, TaskRabbit worker

Marketplace Apps

Marketplace platforms like TaskRabbit, Rover, and Handy often describe themselves as simple booking services that connect workers with customers. But while their business models are different from on-demand delivery companies, they don't operate like community bulletin boards or listings sites like Craigslist either. Most critically, **marketplace platforms are deeply enmeshed in intermediating the relationships between customers and workers,** generally forbidding workers from engaging directly with their customers and instead requiring all communications and payments to happen through the platform.

They take 20% - 68% of total customer payment, use a range of algorithmic tools to oversee the type and quality of services provided, and both directly and indirectly engage in a variety of practices which act to lower pay.

Further, as these types of platforms consolidate their market share, their impact on the broader labor market continues to grow.

While most of these platforms technically allow workers to set their own rates within particular limits,[30] **they also engage in a variety of practices which tend to lower the rates workers can charge**. First, these platforms generally recommend specific rates for specific services, and penalize workers who charge more than those recommended rates. Second, these platforms list available workers according to algorithms which take into account what the worker charges; workers with lower rates will be presented more frequently to customers. TaskRabbit even retains the ability to remove workers from customer search results if their rates are outside the range TaskRabbit suggests. Third, by imposing a substantial mark-up on worker charges, they create customer price resistance at lower pay rates than might otherwise be experienced if performing the same services off-platform. For example, customers may become less willing to pay for a particular service at a rate over $30/hour, but workers performing those services may be paid $20 - $24 after the company's cut. And finally, by maintaining complete control of customer relationships and barring workers from booking work directly with customers they find on the platform, they maintain ongoing control over rates charged and the manner in which services are performed.

Notably, **each of the major marketplace platforms sets floors for what rates can be charged; however, these floors ($15/hour for all jobs on TaskRabbit, $16/hour for dog walks on Rover) are set without reference to the local minimum wage**, let alone the additional expenses borne by workers treated as contractors or additional work time required outside of direct work time, such as communicating with customers and transit time.

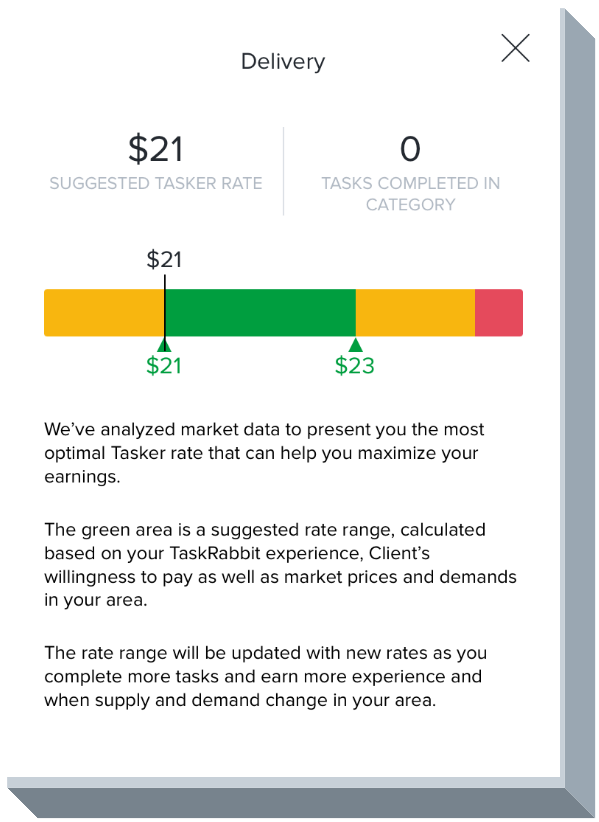
Further, the charges assessed on customers using these platforms have changed repeatedly, with varying percentages of charges taken from what is paid to the worker, what is charged to the customer, or even both. These changes to pricing models can have a substantial impact on what workers are effectively paid, but are determined solely by the platforms themselves.

Current marketplace app revenue shares of customer payments are approximately 20% on Rover, 26% on TaskRabbit, and up to 68% on Handy.

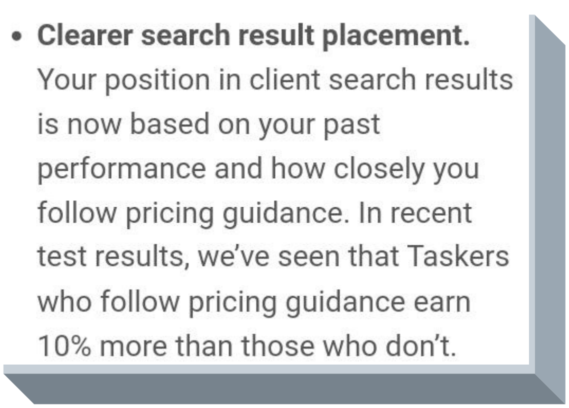
TaskRabbit

While TaskRabbit does not require workers to set a specific rate, they do **require workers to set a specific rate per task type, and forbid workers from negotiating different rates with different customers**. [31] TaskRabbit also strongly encourages specific rates for each type of "task" when workers sign up to perform these tasks:

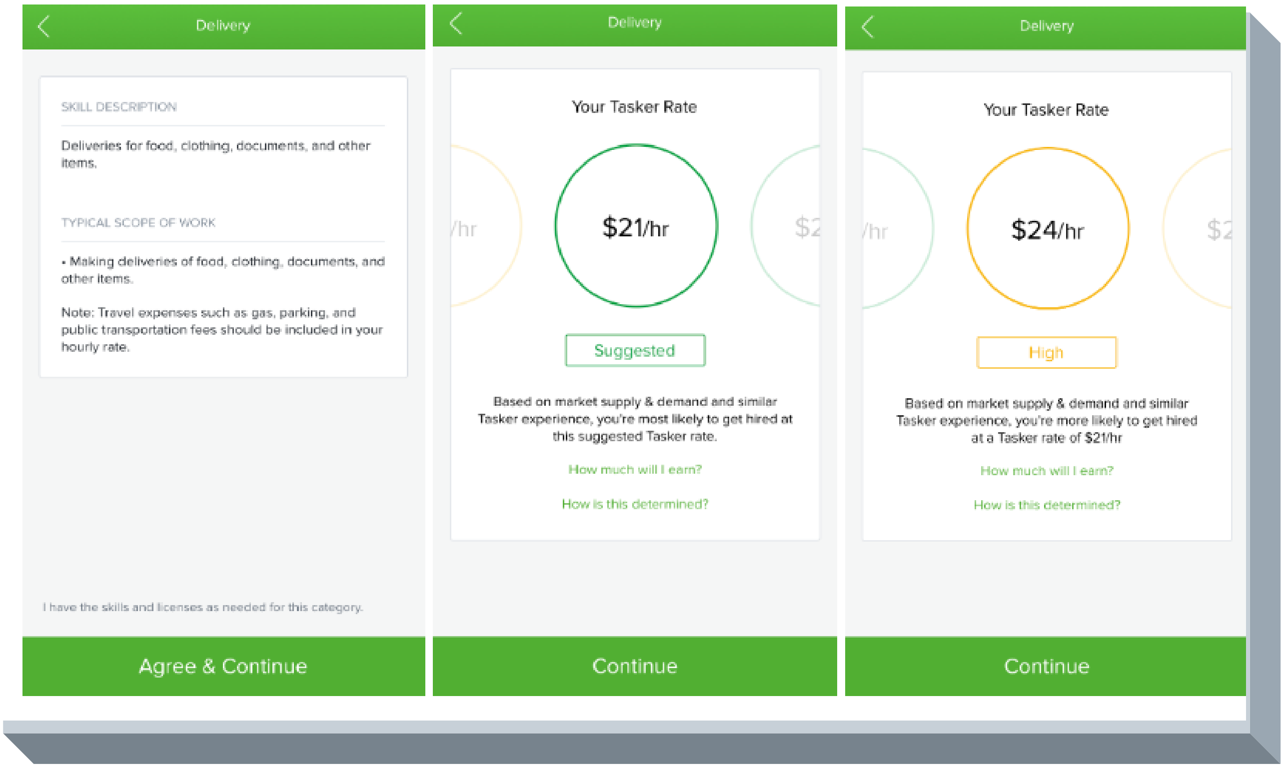
TaskRabbit's app interface provides a default "suggested" rate for each type of task, and also **gives workers a warning if the rate they're attempting to set is "too high"** for a given task. [32]



A 2021 email from TaskRabbit to workers warned them that **if the rate they select for a given task is "well above market rate," their profile may be hidden from customer searches** for that task. TaskRabbit instructs workers that their placement in search results is based in part on how closely workers follow TaskRabbit's suggested rate guidelines:

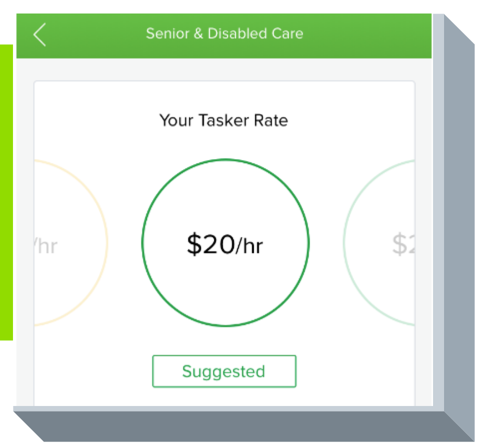


An example of TaskRabbit's suggested rates for delivery tasks is below:



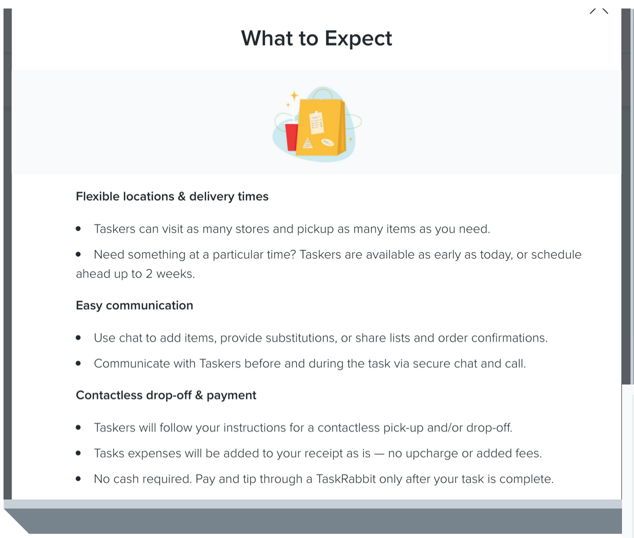
The default suggested rate for delivery in Seattle on TaskRabbit is $21/hour. Although the description of the delivery "skill" mentions that travel expenses such as gas and parking should be included in the hourly rate, TaskRabbit does not offer any way for workers to account for mileage in this rate; in fact, as noted above, workers are expressly forbidden from negotiating individual rates based on the customer or job, sharply limiting workers' ability to factor mileage costs into their hourly rate. **After factoring in mileage at the IRS rate and accounting for other basic expenses covered by contractors, a rate of $21/hour for delivery work is likely to fall below minimum wage.** For example, a 60-minute delivery job at this rate would only pay minimum wage after expenses if the required driving for the job was less than two miles.

TaskRabbit's default suggested rate for senior and disabled care is $20/hour, or about $17.40 after accounting for basic expenses (not including any mileage or supplies required for the job). **This puts net pay before factoring in additional expenses just above minimum wage.**

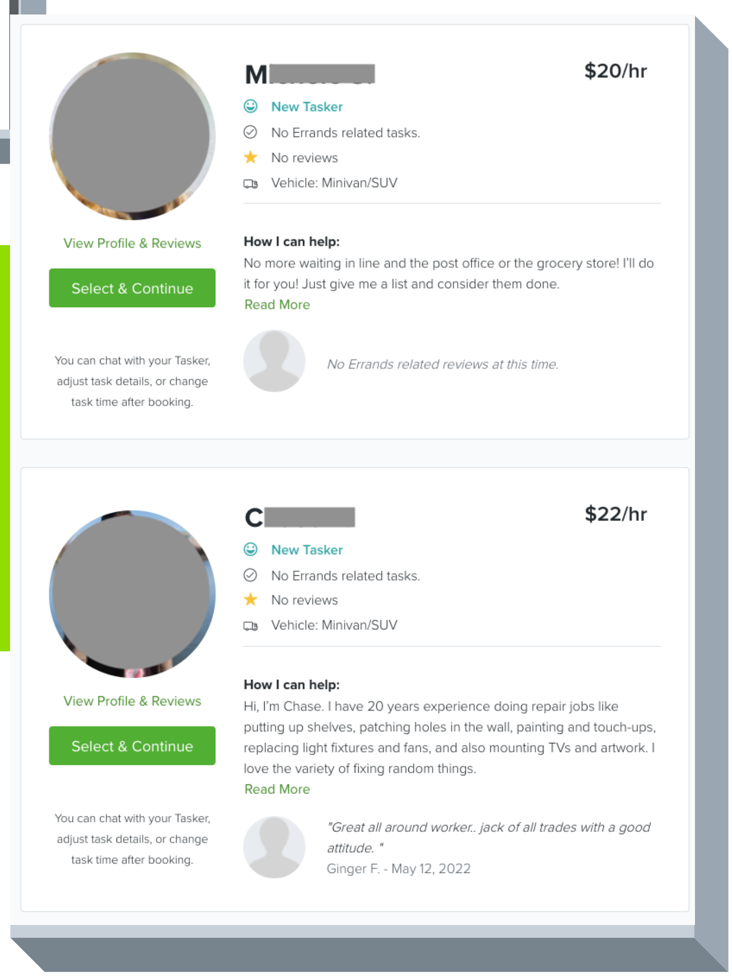


However, neither of these rates account for the additional time associated with each job that factors into independent contracting work. Even if a TaskRabbit worker spent only 15 additional minutes outside their work time reviewing the offer, communicating with the customer, and performing other required work for the job, accounting for this additional time would bring the **net pay per hour on a TaskRabbit senior and disabled care job down to $13.92 per hour, well below Seattle's minimum wage**.

The result of TaskRabbit's "suggested" rate interface is that **workers are likely to set rates that fall below minimum wage after expenses**. To get an impression of how likely it is for real rates to fall below minimum wage, we ran a search on TaskRabbit's customer-facing website for a hypothetical "errand" task requiring a car to pick up items.



This hypothetical task would take a worker one hour and require fifteen miles of driving. TaskRabbit's interface informs customers booking an "errand" task that **workers "can visit as many stores and pickup [sic] as many items as you need."**



TaskRabbit provided information and rates for 68 total available workers to complete this job, with rates ranging from $20/hour all the way up to TaskRabbit's maximum possible rate of $150/hour. **The majority of rates offered were between $20/hour and $25/hour.**

After factoring in the cost of expenses for this job, including mileage compensation for 15 miles of driving, the rate required to achieve net pay of minimum wage would be $29/hour. The majority of rates presented in the search were above this minimum wage threshold.

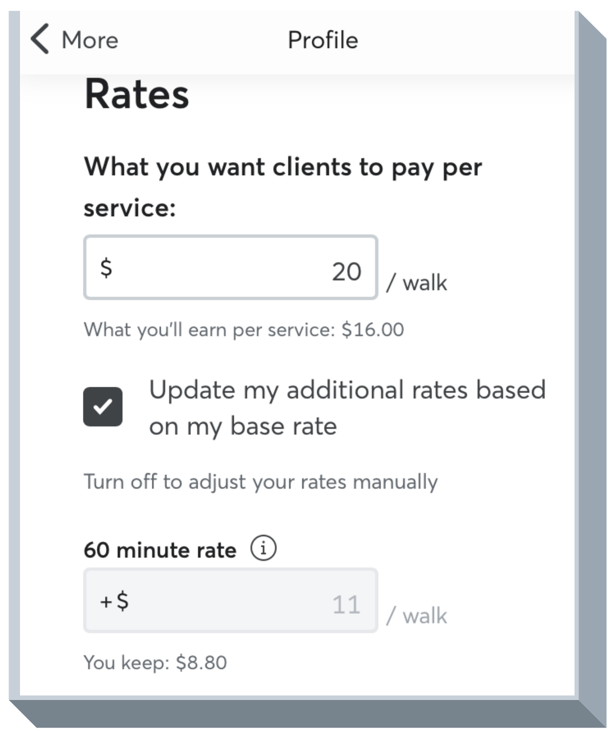
However, 28 of the 68 offers fell below this threshold, with the lowest rates presented amounting to $9.77/hour net pay after expenses.

In addition to suggested rates for each type of work, TaskRabbit sets a "floor" for rates, preventing workers from selecting rates below $15/hour in Seattle. This minimum floor applies across every "skill" listed on the TaskRabbit app. **After accounting for basic expenses (not including mileage or transportation), TaskRabbit's current pay floor in Seattle results in net pay of $13.05 per hour.**

Rover

Rover's rate setting works slightly differently; rather than setting their pay rates, workers set the rates their customers will be charged, and Rover takes a 20% cut of the displayed rate, leaving workers with 80%. The default rate for a 30-minute dog walk on Rover is $20, which results in $16 of worker pay. Rover's default rate for a 60-minute dog walk is an additional $11 — a total of $31 charged to the customer, $24.80 of which is paid to the worker, for an hour-long walk.

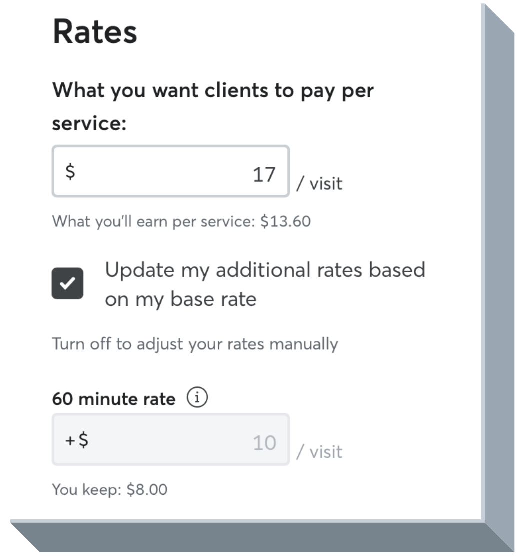
After accounting for basic worker expenses, this suggested rate would result in net pay of $21.58 for an hour-long dog walk. When taking only time spent on the dog walk into account, this rate is well above Seattle's minimum wage. However, workers must spend additional time outside of direct work time in order to complete each job — for example, communicating with the customer, transportation, and even unpaid "meet and greets" recommended by Rover.[33]

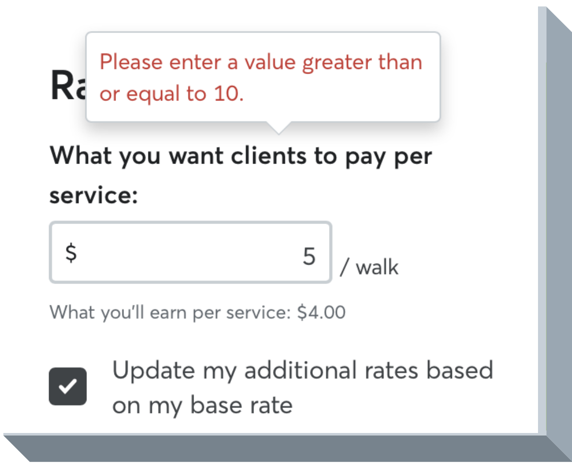


If the worker spent any more than 15 additional minutes on these required tasks for the job outside of direct work time, their effective net hourly pay would come out to less than $17.27/hour.

Rover's default suggested rates for "drop-in visits," in which workers travel to a customer's home to feed and care for their pets, are set even lower.

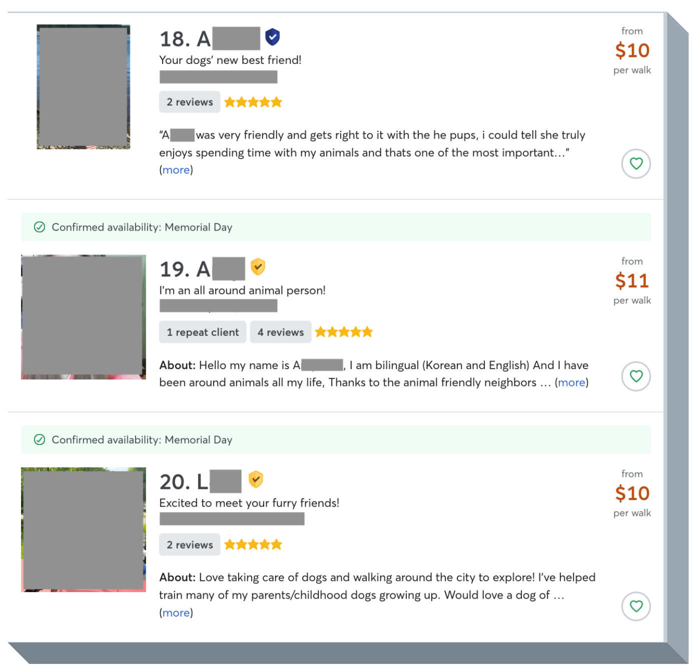
At Rover's suggested rates, workers are paid $21.60 for an hour-long drop-in visit. After accounting for basic expenses, this pay comes to $18.79; if the worker spends 15 minutes of additional work time in transit or communicating with the customer, **their effective net hourly pay for the job falls to just $15.03/hour**.





Like TaskRabbit, Rover sets a floor on rates. The floor for Rover dog walking in Seattle is $10 per half-hour walk, which amounts to $8 in worker pay. **Even before factoring in expenses, this rate results in gross worker pay of $16/hour**; after factoring in basic contracting expenses (not including mileage or transportation), net worker pay after contracting expenses would come out to $13.92/hour.

While Rover's default rates can result in pay above minimum wage when associated work time is not accounted for, their very low rate floor still has the effect of facilitating a great deal of subminimum wage work. **A search on Rover's website for workers available for a hypothetical dog-walking task in Seattle generated a list of more than 80 workers with customer rates of $15 per walk or less, which amounts to $12 in pay** after Rover's cut.



Net worker pay at these rates after factoring in basic expenses would be $10.44.

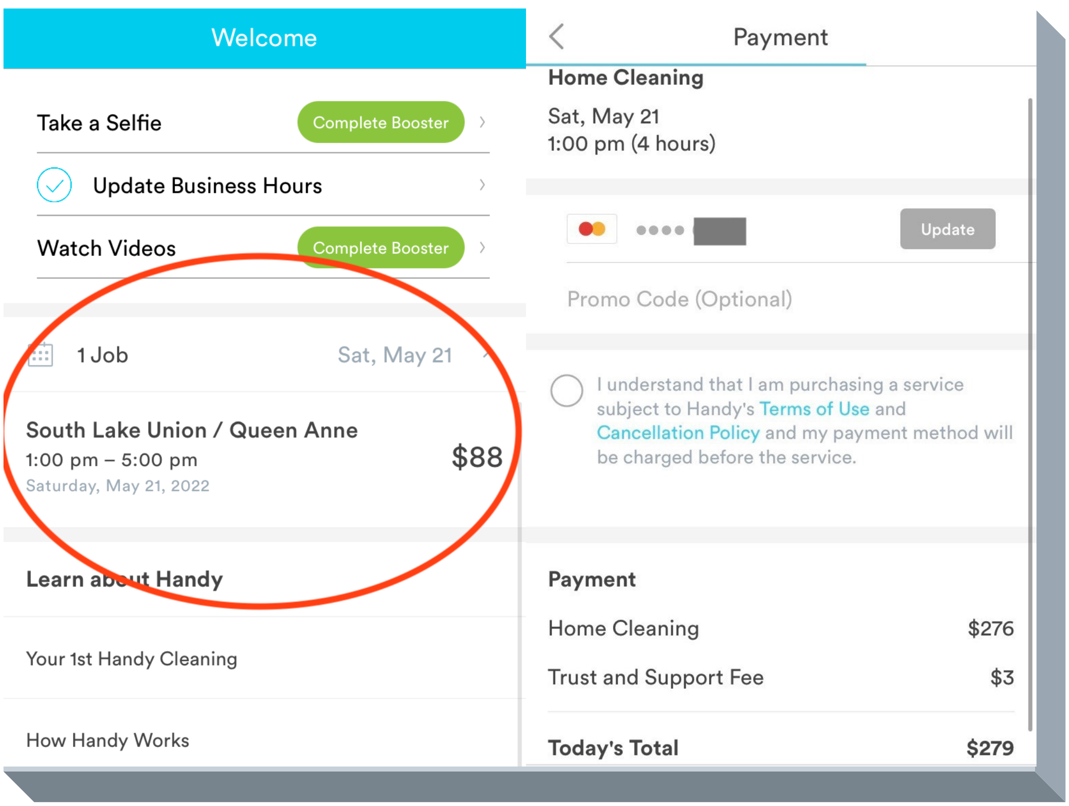
For a half-hour walk and a conservative estimate of 10 minutes of time for the worker to communicate with the customer and travel between jobs, **the resulting net hourly pay for all of these workers amounts to $15.66/hour, well below Seattle's minimum wage**.

Additionally, there is no floor on the additional pay Rover dog walkers set for a 60-minute walk; **Rover allows rates as low as $10 for an hour-long walk, resulting in worker commission of $8 and net pay of $6.96/hour.**

Handy

Handy's customer-facing prices are not directly linked to what they pay workers for a given service; customer rates may vary based on factors like committing to regular bookings and promotions, but worker rates are set unilaterally by Handy. **Worker pay for house cleaning, Handy's core service, is set at $22/hour in Seattle**, with a "repeat rate" of $27/hour for customers who choose to book with the same worker again. [34]

Given these rates, the typical four-hour cleaning job on Handy in Seattle pays just $88 in gross pay. Handy offers a sliding scale of customer rates depending on how frequently the customer books services; in Seattle, these rates range from $199 per four-hour cleaning for weekly cleanings, and $279 per four-hour cleaning for a one-time booking. **However, these variable rates are not reflected in workers' pay, as shown in the sample booking below:**



In this example, the total gross pay offered to the worker represents just 32% of the rate charged to the customer. **Handy's cut of the customer fee comes to about 68%, a total of $191 in revenue for a single booking.**

This pay rate of $22/hour is likely to result in subminimum wages after accounting for workers’ expenses and time.

Subtracting 13% of pay to account for additional expenses borne by contractors leaves workers with net pay of $19.14/hour.[35] A conservative estimate of time required to perform the work — 15 minutes of associated time spent on reviewing offers, communicating with customers, and procuring and transporting equipment, for every hour of direct cleaning time — **leaves workers with net pay of just $15.31/hour.**

Handy workers’ pay is further reduced by costs of business unique to the platform, and significant fees charged by the app. Handy workers are responsible for providing all their own cleaning products and tools:[36]

Do I need to bring supplies?

Customers expect their professional to arrive prepared with all of the supplies necessary to do a thorough cleaning. The top cleaning professionals using the platform recommend bringing:

- a multi-purpose cleaner
- a tub and tile cleaner
- a toilet bowl cleaner
- a wood cleaner
- a glass cleaning solution
- a floor cleaning tool
- floor cleaner wet refills
- rags and/or towels
- a vacuum

Handy also charges workers a range of fees for cancellations, late arrivals, early departures, and other reasons:[37]

SCHEDULE 2 - LIQUIDATED DAMAGES SERVICE FAILURE/CANCELLATION

ALL REGIONS*

Failure to start Job at time specified by, or agreed with, Service Requester and Service Requester complains	Fee of $15
Service Professional leaves before Job is completed.	Fee of $15.
Service Professional cancels or reschedules on less than 48 hours' notice but with more than 24 hours' notice prior to Job start time	Fee of $10
Service Professional cancels or reschedules on less than 24 hours' notice but with more than 4 hours' notice prior to Job start time	Fee of $20
Service Professional cancels or reschedules on less than 4 hours' notice prior to Job start time	Fee of $40
Service Professional fails to appear for booked Job without notice to Service Requester and Handy	Fee of $50
Service Professional requests payment remission ahead of standard schedule	Fee of up to $5 per request
Service Requester cancels or reschedules on less than 12 hours' notice but with more than 30 minutes' notice prior to Job start time. No payment if cancellation is a result of reported failure to appear for booked Job without notice	Payment of $15
Service Requester cancels or reschedules on less than 30 minutes' notice	Payment equal to the entire service fee for Job, up to 3 hours
Inability to perform services not attributable to a no-show or cancellation (e.g. Service Professional had difficulty opening lock with key provided, location of Job had unsafe working conditions, Job was not accurately described by Service Requester, etc.)	Payment of $15
Damage and/or loss of a Service Requester’s items or property	Fee of $5 based on the loss or as otherwise negotiated.
Failure to return Service Requester’s key	Fee of $100 based on the loss or as otherwise negotiated.
Off Platform Fee if Service Professional engages Service Requester to provide services outside of the Handy Platform. **This Fee is not applicable to Service Professionals working in the State of California.**	Fee of $100

These pay deductions can substantially reduce workers' earnings. For example, **if a worker reschedules a booking with less than four hours' notice, regardless of whether the reason is related to an emergency or illness, they are charged a fee of $40**. This fee would leave the worker with gross pay of $48 for a four-hour job, or $12/hour in gross pay — about $8.35/hour in net pay after expenses and associated work time are accounted for.

In fact, Handy has been investigated by Seattle's Office of Labor Standards for violating Seattle's Domestic Workers Ordinance, in part due to how these fees can drive down workers' pay below minimum standards.

A May 2021 letter to Handy's CEO signed by the Director of Seattle's Office of Labor Standards explained that: "While the listing price of most Handy jobs may meet the minimum wage requirement for the hours working at the job site, the numerous fees imposed by Handy, travel time, time spent working off the clock, and other costs significantly reduce a worker's actual earnings, causing the actual pay to fall well below the minimum wage requirement. Handy does not account for the minimum hourly wage required by Seattle's ordinance when setting compensation levels." [38]

Handy sets pay rates without regard to expenses borne by contractors, and maintains extensive control over customer relationships, **even going so far as to charge workers a $100 fee if they engage with customers to provide services off-platform**. Handy's rates in Seattle amount to well below minimum wage in net pay, while the company retains up to two-thirds of customer fees as corporate revenues.

> *"Handy determines the time needed to complete a job. Handy determines what I am paid for the job. Handy holds control over customer service.... Yet, I am expected to cover the cost of my business license, state taxes, federal taxes, liability insurance, surety bond, equipment and supplies, along with mileage and phone expenses. This is a broken relationship that is not healthy for any independent contractor."*
>
> *— Terri Herstad, Handy worker*

"Rover encourages workers to always maintain a low pay threshold in order to undercut other Rover workers. This base pay isn't enough to sustain a livable wage, let alone to deal with medical bills. Rover takes 20% of each and every job I do, in addition to the service fees they charge the client.

— Shelby Hansen, Rover

OFFERS AND WORKER CHOICE

This analysis of effective pay rates may invite reasonable skepticism about why workers continue to accept offers that result in net pay far below minimum wage, and in particular why any worker would choose to accept offers that pay so little they result in net negative pay. Apps use several mechanisms to encourage workers to accept offers that pay such low rates, including limiting information about time and mileage in pay reports, as noted in the app sections above. Calculating effective net hourly pay for these offers requires robust tracking of time and mileage per job by workers, since it is frequently not provided by the app companies, and **no app company reports this net hourly pay figure directly to workers.**

In addition to limiting information provided in pay reports, **apps even more sharply limit the information workers are provided about a given job before they are required to accept the offer** within a relatively short timeframe. Workers in on-demand apps are not given the time they need to determine whether the offer is worth accepting, particularly because many workers receive offers while driving. Additionally, **many apps use workers' "acceptance rate" — the percentage of offers sent by the app that the worker accepts — as a factor in their ability to continue accessing work**, encouraging workers to accept a high number of offers regardless of whether it is in their financial interest to do so.

On-Demand Apps

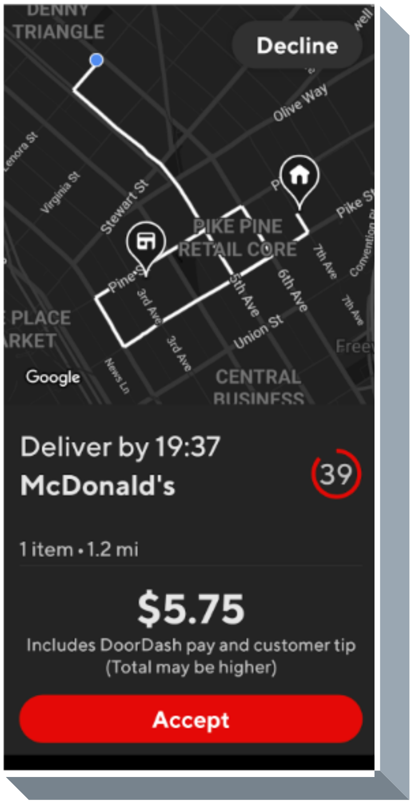
Each on-demand restaurant or grocery delivery app uses a different — and frequently changing — configuration of information provided upon offers, with a time limit of 15 to 45 seconds for workers to accept the offer. The chart on the following page details the information provided by each of the major on-demand app in the offers they send to workers.

	Pay and tips	Mileage [39]	Estimate of time required to complete offer	Time given to accept or reject
DoorDash	Presents a guaranteed minimum earnings amount that blends tips and pay together. This guaranteed minimum amount excludes some amount of the tip on higher-tipped offers.	Total miles from acceptance to dropoff are listed.	Not included; offer does list a required time by which the worker must drop off the order.	45 seconds
Grubhub	Presents a total earnings amount that blends pay and tips together.	Total miles from acceptance to dropoff are listed.	Not included.	Virtually none (see below)*
Uber Eats	Presents a total earnings amount that blends pay and tips together.	Total miles from acceptance to dropoff are listed.	An estimate of total time for the delivery is included; however, workers report that these estimates are frequently inaccurate.	15 - 30 seconds
Instacart	An estimate of pay and the customer tip are included; actual pay and tips after the job is complete can be higher or lower than this estimate.	Only miles from store to customer are listed (miles from acceptance location to store are not included).	Not included.	No direct time limit; however, workers must accept quickly to avoid offers being taken by others.
GoPuff	Not included - workers can calculate from their pay reports that each delivery pays $4, but otherwise are not provided information about pay or tips on assigned orders.	Not included.	Not included.	GoPuff workers are simply assigned orders with no right to reject.

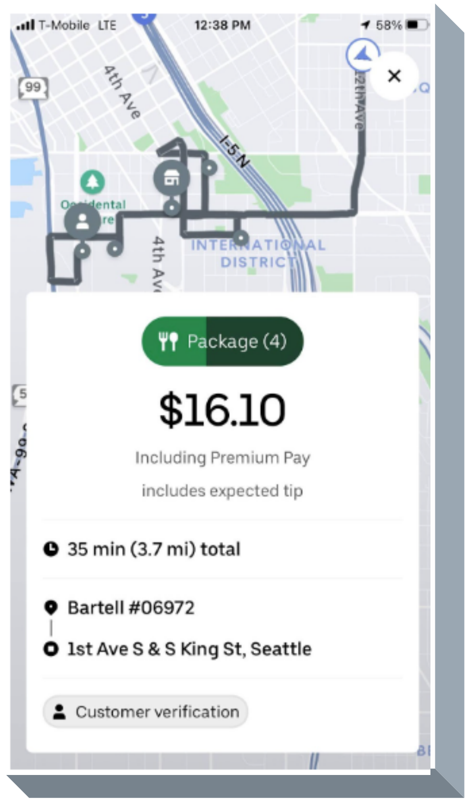
**Grubhub offers previously included a countdown timer of 90 seconds; now, offers do not include any timer, but workers are warned that the offer will disappear with a "chime" just a few seconds after the offer is sent, requiring them to accept the offer virtually immediately.*

Below are several examples of screenshots demonstrating the information workers are provided in offers from each app:

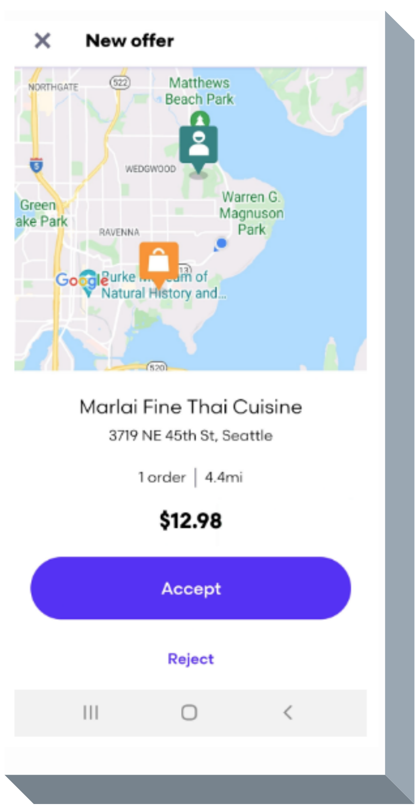
Doordash



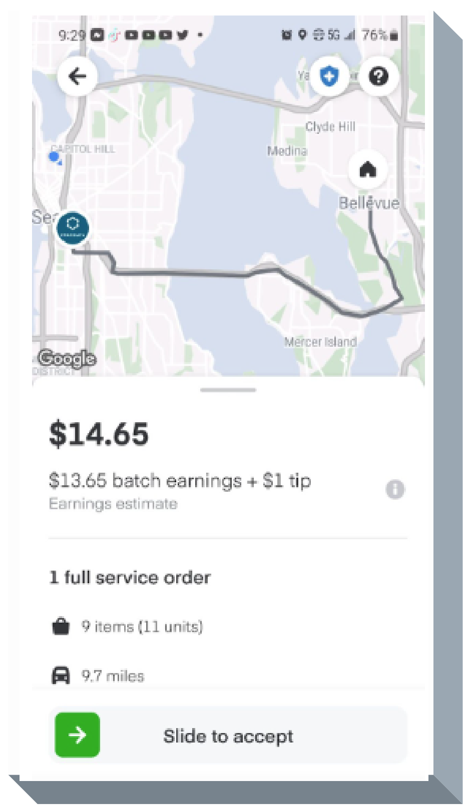
Uber Eats



Grubhub



Instacart



Each on-demand delivery app has its own policy related to how workers' acceptance rate affects their ability to continue receiving work. For example, **DoorDash** clearly informs workers that they do not have any minimum required acceptance rate to remain on the app; however, **workers must maintain a 70% acceptance rate, among other factors, in order to maintain "Top Dasher"** status.[40] Without this status, workers are limited to working only on pre-scheduled "Dash" shifts, and can only schedule shifts when the app predicts a high volume of customer orders in the area.

Acceptance Rate

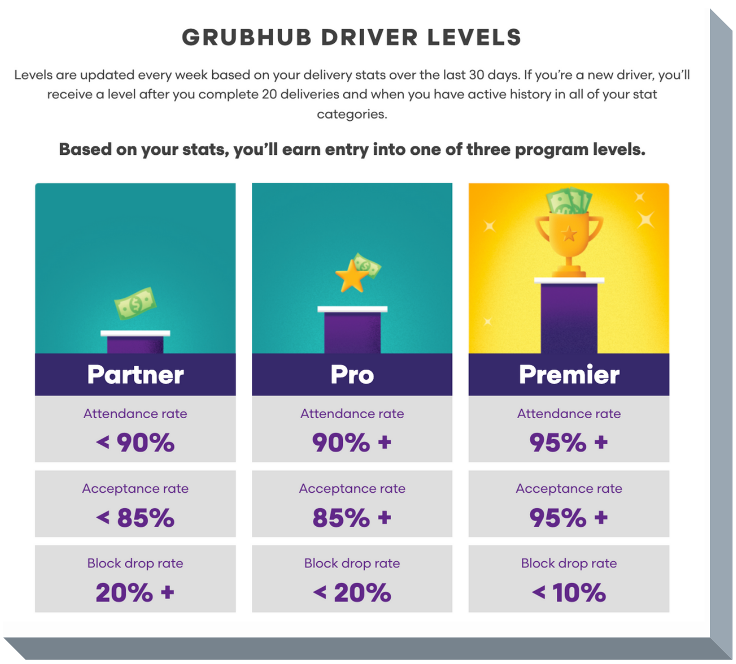
Acceptance Rate is the percent of deliveries you accepted out of the 100 most recent delivery opportunities you receive. You can raise your acceptance rate by consistently accepting delivery opportunities that are assigned to you. It is also a rolling average, which means it may take a few opportunities before you see an increase in your average.

There is no minimum requirement for acceptance rate, but consistently declining delivery opportunities negatively impacts the experience for other Dashers (who will have less time to complete the delivery), the customer (who is more likely to get a late delivery), and even the merchant (whose food will sit for longer).

Q: How do I qualify for this program?

A: In order to qualify for the program next month, you need to meet the below criteria for your deliveries by the 1st day of the next month.

- Customer rating of at least 4.7
- Acceptance rate of at least 70%
- Completion rate of at least 95%
- 100 completed deliveries during the last month
- At least 200 lifetime deliveries completed



GRUBHUB DRIVER LEVELS

Levels are updated every week based on your delivery stats over the last 30 days. If you're a new driver, you'll receive a level after you complete 20 deliveries and when you have active history in all of your stat categories.

Based on your stats, you'll earn entry into one of three program levels.

	Partner	Pro	Premier
Attendance rate	< 90%	90% +	95% +
Acceptance rate	< 85%	85% +	95% +
Block drop rate	20% +	< 20%	< 10%

Grubhub uses workers' acceptance rate as one factor in the workers' overall "program level."[41] **Workers are required to maintain an acceptance rate of 95% in order to remain in the highest tier, the "premier" level**, which gives workers earlier access to pre-scheduled blocks of work. Without "premier" status, many workers are unable to schedule blocks due to lack of availability.

Uber Eats does not provide workers with a clear policy about how their acceptance rate impacts their access to future offers; they only instruct workers that it is “important to maintain a high acceptance rate.” [42]

However, as reported by EntreCourier, **Uber has recently begun penalizing workers for rejecting offers by hiding up-front information on offers for workers who reject more than 5 of their most recent offers**.[43] For workers who reject more than 5 of their most recent 10 offers, Uber hides information from future offers about the pickup and dropoff locations, making it more difficult for workers to determine whether an order is worth accepting, and creating a strong incentive for workers to accept offers that they may otherwise reject.

What are delivery acceptance rates?

Your acceptance rate is the percentage of delivery trips you accept. For example, if you accept eight out of 10 delivery trip requests, your acceptance rate is 80%.

It is important to maintain a high acceptance rate to provide a reliable service to restaurants and customers.

To keep delivery turnaround times quick, we ask that you only go online where you want to take requests.

PRO TIPS FOR IMPROVING YOUR ACCEPTANCE RATE

To ensure you can readily accept delivery requests and maintain a high acceptance rate, you can:

- Make sure that volume is turned up on your phone so you can always hear the new request sounds

- Press the accept button when you see the request come through

Accept 5 out of every 10 trips to continue getting upfront information.

When couriers repeatedly reject trip requests, everything slows down. Restaurants wait longer for food to be picked up, customers wait longer for their orders to be delivered, and other couriers often have to travel farther on each trip.

Couriers who accept most of the requests they receive help improve the Uber Eats epxerience for everyone on the platform. So now pickup and dropoff addresses will be shown up front only to couriers who accept at least 5 out of every 10 trip requests.

Instacart no longer uses acceptance rate directly as a factor in assessing workers. While Instacart’s initial offer distribution model depended on sending individual offers to workers who were given an opportunity to reject or accept the offer, the platform switched in 2020 to a model in which workers are provided with a list of offers available to them in their area. Offers are not distributed evenly to workers, and Instacart’s policy is not clear about how exactly these offers are distributed.[44] However, Instacart does claim to use various factors - including workers’ location, accuracy, timeliness, and customer ratings - to distribute offers to workers. **It is unclear whether workers’ acceptance rate influences the offers they are distributed in the future, but workers are compelled to complete as many offers as possible in order to maintain access** to future offers, which may oblige some workers to accept offers they would otherwise choose to decline.

Gopuff works differently from the other on-demand delivery apps; workers are simply assigned delivery orders while on shift, and are not provided with any opportunity to accept or decline orders, or any information that would allow them to assess whether the order is worth completing.

Marketplace Apps

Workers on most marketplace apps are given the opportunity to directly discuss the parameters of work with customers before choosing whether to accept a job, and are responsible for assessing factors like location and duration of a job when determining whether to accept the job. **Acceptance rate, however, is still a factor in how workers on these apps may determine whether to accept individual offers.**

For example, **Rover** uses a "sitter performance score" to determine workers' placement in customer search results; **this score incorporates multiple factors, including workers' "booking rate,"** which compares the number of new clients who contact the worker against the number of these jobs the worker ends up booking and completing. [45]

> **Booking score**
>
> This score consists of your overall booking rate, which looks at the number of new clients who contact you for the first time and measures that against how many of them end up booking with you and leaving you a positive review.

TaskRabbit uses workers' "response rate" and "acceptance rate" as major components of their "business metrics" score, which similarly impacts the number of requests they may receive in the future. TaskRabbit workers' "response rate" is based on how quickly they respond to requests from customers, and a high response rate requires workers to respond within one hour to same-day requests and by 9 pm to future requests. **Workers' "acceptance rate" is based on the total percentage of job requests they accept; TaskRabbit recommends maintaining a minimum acceptance rate of 75%.** [46]

Response Rate

Your Response Rate is measured by how many times you respond to task invitations within the response time window (one hour for Same Day tasks and 9pm for future tasks). Responding quickly to a task invitation is an indicator of great customer service, and can go a long way toward starting off a relationship with your Client on the right foot.

More on Response Rate

Acceptance Rate

This is measured by how many invitations you accept–in other words, when you actually schedule the task. If you don't accept a task invitation, it forces the Client to start their Tasker search all over again. Since you only receive task invitations in the **categories** you have selected–according to your **schedule availability**, your **map**, and the skills you've shared in your **Skills & Experience Pitch**–you should be able to accept most tasks that come your way.

More on Acceptance Rate

Acceptance Rate is a percentage of the number of task invitations you've accepted in the last 30 days out of the total number that you've received. Your Business Metrics reflect tasks from the most recent 30 days up until yesterday. This area updates daily at midnight.

We recommend staying above a **75%** Acceptance Rate at any given time. Since you have the flexibility to control your schedule, map, and skills, this is an attainable goal to have!

As a result of both limited information on offers and strong incentives built by apps to accept a high number of offers in order to continue receiving access to work, workers on both on-demand and marketplace apps aren't given free choice in what offers to accept.

In order to continue working on the platforms, workers are often left with no choice but to accept offers that are not in their financial interest, resulting in the subminimum wages demonstrated by this report.

"The pay is terrible. You'll get orders that have you doing easily 40 minutes of driving, and you only get paid $5 or $6. I hear the companies say this isn't meant to be a full-time job, it's meant to supplement income. Whether or not that's true for each individual, it doesn't matter. I've been in both positions, relying on gig work as a full-time income and using it to make extra money on the side. Fair pay is fair pay, no matter the type of work we're doing."

— Orlando Santana, DoorDash/Amazon Flex

METHODOLOGY AND DATA

Hourly Equivalent Pay Calculation

When describing worker pay, gig economy platforms tend to focus on gross earnings — the total amount deposited in a given week, including tips, and not accounting for mileage and other expenses. This approach may help companies justify advertised rates "up to $25/hour," but it does not provide an accurate indicator of the amount a worker can expect to earn and live on.

The purpose of the equivalent hourly pay calculation is to account for the basic expenses incurred by gig workers and create a baseline of comparison between gig jobs and conventional employment. This is the basis on which gig workers have made the demand to be paid at least minimum wage after expenses for all time worked. The formula used to calculate net pay is as follows:

- **Pay per job after mileage cost** = (Gross company pay) - (Miles on job x 0.585)
- **Net pay per job after expenses** = (Pay after mileage cost) - (13% of pay after mileage cost)
- **Net hourly pay** = (Net pay after expenses) / (Time with job, from acceptance to completion)

This simple — and extremely conservative — formula accounts for two key costs not accounted for in gross earnings. The first major expense is the cost of driving (including gas, repairs, depreciation, etc). The IRS mileage rate (currently 58.5¢/mile) is a standard, widely-accepted, and comprehensive estimate of the full costs of driving a typical vehicle, used almost universally to account for the cost of using a personal vehicle for work purposes. While this mileage cost would be a large aggregate line item on a corporate financial report if the company owned the vehicles, the magnitude of the expense can be difficult for an individual worker to gauge — it tends to be hidden on a job-by-job or day-to-day basis, but then shows up in a large repair or need to replace a vehicle.

The second major expense is the “employer share” of various payroll taxes and expenses borne by independent contractors that would be covered by conventional employers. Accounting for federal payroll taxes and statewide averages of the cost of other basic worker expenses that would be covered by employers works out to about 13% of pay. [47]

Note that this is an extremely conservative calculation of hourly equivalent pay. It does not address other work expenses beyond mileage and a minimal accounting of business costs. And it does not address the additional time & miles required to work on a platform that are not tied to a specific job — for example, traveling between hotspots, returning from dropoff locations, reviewing offers, administering profiles, rest breaks, sick time, and other such time and miles. Workers on marketplace apps like TaskRabbit and Handy also must spend significant time and mileage traveling between work locations. While a traditional contractor would account for these factors by including them in their rates for individual clients, these apps do not provide workers with a way to account for these factors, further **normalizing pay well below the prevailing wage for contractors in a given field**.

Data Sources

For on-demand delivery apps, data was crowdsourced from worker reporting on 401 individual jobs (not including an additional 404 individual GoPuff deliveries averaged into weekly pay reports). Deliveries included in the sample took place from late 2021 to early 2022, and data was gathered from workers using a webform and requesting screenshots.

None of the major gig platforms directly provide workers with all of the data necessary to calculate their hourly equivalent earnings. For on-demand delivery apps, this necessary information is already recorded by each company via built-in functions of their app (i.e. GPS and time-tracking); it is simply not consistently and transparently provided by the company to workers.

For example, DoorDash does provide an estimate of total mileage when a job is offered, but no accounting of mileage when a job is completed. Instacart does not report miles traveled from the starting location to the store. Gopuff doesn’t report any mileage information at all, and Grubhub reports some information when a job is accepted, and a different set of information when a job is complete. Apps generally do break down the base pay, bonuses, and tip amounts for a job after it is complete, but little information is provided on the total time elapsed or total miles driven from acceptance to delivery. This lack of transparency is almost certainly intentional —making this information less accessible to workers makes it more difficult for them to accurately calculate their effective net pay after expenses.

Marketplace apps’ reporting of pay data to workers varies, but significant amounts of time and expense go untracked by the apps. As a result, this data is most effectively analyzed by viewing the rates each app allows and encourages Seattle workers to set. Information about marketplace app pay in this report was not compiled based on reports of completed jobs, but rather aggregated from information provided by workers and available through the customer-facing platforms for each company.

"I work between 40 and 50 hours a week, on weekends, during lunch and dinner rushes, and am often working late into the night if orders keep coming. I'm having to do 6-day weeks rather than 5 usually twice a month. Even with a fuel-efficient car, I'm spending over $100 a week on fuel alone, a necessary expense for me just to do my job. On top of these expenses, we gig workers are responsible for paying federal taxes as both employee and employer, in essence doubling the tax on our income, while companies like Grubhub and Doordash get to skirt around this responsibility. Gig workers are not asking for outrageous wealth, or making untenable demands of these companies. We are asking for the ability to continue to do this work in the communities we live in and serve."

— Jean Kallas, Grubhub worker

CONCLUSION

Gig companies have built multi-billion dollar businesses in large part by shifting costs to workers and excluding them from basic protections like minimum wage. While they typically promise earnings of "up to" $25/hour or so, they do not provide workers with the complete information they need to calculate their effective earnings after expenses.

As our unique, first-of-its-kind, market-specific analysis shows, the resulting net pay for Seattle workers is not only less than the advertised gross pay would indicate, it's also far less than the minimum wage. Using a conservative calculation to account for time and mileage with an active job, our analysis finds the average pay rate for an on-demand delivery worker in Seattle is just $9.58/hour. And this is an average rather than a minimum. **A remarkable 92% of all jobs paid an effective hourly rate that's less than Seattle's minimum wage.**

While these figures are dramatically lower than what companies advertise, there is some correspondence between the figures. Our data shows that **about one third of earnings is in the form of tips**, so $25/hour in gross pay is approximately $16.75 in gross company pay.

Our data found workers drive 7.2 miles in an hour of engaged time, which would reduce pay after mileage expenses by $4.21 to $12.54 an hour. Back out the 13% in payroll taxes and additional expenses, and **the advertised $25 gross is just $10.90 in hourly equivalent net pay after expenses** — fairly close to the $9.58/hour we found here, particularly as an "up to" advertising figure.

Our numbers also line up with our own previous findings. In 2019, our survey of national pay data found Instacart paid $7.66/hour after expenses. In this report, we find Seattle workers on Instacart net $9.33/hour without accounting for hazard pay; it seems quite reasonable that the Seattle market after the rapid growth of the pandemic would pay $1 or $2 more than the national average from a few years ago.

And our national analysis of DoorDash pay data in 2020 found average pay of $1.45/hour after expenses, as compared to this survey, which finds DoorDash pay would be just $2.83/hour but for Seattle's hazard pay law — another fairly close alignment of results given the two-year time difference.

While the technology which enables the gig economy is relatively new, **the exclusion of gig workers from basic protections like minimum wage is the latest manifestation of a long history of policies and practices through which particular groups of workers have been excluded from labor standards**, including farmworkers, domestic workers, tipped restaurant workers, and train car porters. Just like gig workers, all of these other groups of excluded workers are particularly likely to be people of color, immigrants, LGBTQ, disabled, or from other marginalized groups.

And this exclusion is not simply an abstraction: as this report shows, gig workers across a variety of apps are paid substantially below minimum wage after accounting for their basic expenses. In effect, **the failure of the government to regulate this sector has created a subclass of workers who are forced to bear all the expenses of their work, are excluded from basic labor protections, and paid well below minimum wage**. This has obvious negative impacts on gig workers, who are left unable to support themselves and pay their bills. It has broader impacts as well: by shifting costs to workers and severely underpaying them, the gig model siphons money from the local economy into the pockets of multi-billion-dollar corporations.

To roughly estimate the local economic impacts of subminimum wages in the gig economy, we start by taking the shortfall in the average pay we find in this report ($9.58/hour) as compared to Seattle's minimum wage ($17.27/hour). We then take this $7.69/hour shortfall and apply it to the estimated 40,000 gig workers in the city. Companies have claimed that the average gig worker clocks 5 hours per week. While we believe that to be a low estimate, multiplying the hourly earnings shortfall by 5 hours a week and 40,000 workers leaves **an estimated total direct earnings increase of about $79 million a year**. This is an extremely conservative figure in terms of estimated number of workers and estimated hours per week, and does not attempt to account for the multiplier effect of raising pay for the lowest-paid workers, who are likely to put their added income immediately back into the local economy.

The $79 million earnings increase that would result from ensuring gig workers are paid at least minimum wage after expenses would of course provide positive benefits for gig workers themselves, and it would also be a boost for local businesses: as we have seen with the economic impacts of minimum wage increases, when more people have more money that means more customers for more businesses.

Left unregulated and without accountability to basic labor standards, gig companies will tend to exploit their vast resources and data to drive workers' pay down well below minimum wage, leaving a growing number of workers entirely excluded from basic protections. It's an alarming trend, and a renewal of our call to reboot the gig economy by establishing innovative policies for contractors on apps: an hourly pay floor of minimum wage after expenses for all time worked, with tips on top, flexibility protections, and pay transparency.

Endnotes

1. https://www.pewresearch.org/internet/2021/12/08/the-state-of-gig-work-in-2021/
2. https://finance.yahoo.com/quote/DASH/ as of May 12, 2022
3. https://s22.q4cdn.com/280253921/files/doc_financials/2022/q1/DASH-Q1-2022-Shareholder-Letter_FINAL.pdf
4. https://www.cnn.com/2022/05/12/business/instacart-ipo/index.html
5. https://techcrunch.com/2021/12/16/gopuff-the-instant-grocery-startup-is-raising-up-to-1-5b-at-up-to-a-40b-valuation-ahead-of-going-public-as-soon-as-mid-2022/
6. https://www.seattletimes.com/seattle-news/data/ordering-in-food-delivery-surged-in-the-seattle-area-as-covid-19-pandemic-took-hold/
7. For example, DoorDash claims Seattle workers earn $28/hour for time on delivery — a figure impossible to assess without knowing how much of that is pay and how much is tip; how many miles were driven; whether mileage or any other worker expenses were accounted for; and whether pick-up time, wait time, and drop-off time were considered part of "on delivery" time.
8. See methodology section for additional details.
9. Seattle's premium pay ordinance requires gig delivery companies to pay an additional $2.50 per delivery within Seattle city limits. This requirement will be in effect until the end of the COVID-19 emergency period, or until the ordinance is repealed by Seattle City Council.
10. Seattle's minimum wage for large employers is $17.27/hour. These percentages represent jobs which paid below $17.27 per hour of "engaged time" (from acceptance to dropoff) based on company pay (including hazard pay, and not including tips) minus basic worker expenses.
11. The hourly net pay rate for delivery apps is calculated by accounting for basic expenses: mileage at the IRS rate (currently $0.585 per mile) and an additional 13% to account for payroll taxes and other basic expenses. Additional work time outside of "engaged time" was not factored into this calculation. For more information, see "Methodology and data."
12. The hourly net pay rate for marketplace apps is calculated using an additional 13% of pay to account for basic expenses, and a conservative estimate of an additional 15 minutes per hour to account for required work time outside of direct time on a job (e.g. communicating with customers and transit between jobs). Mileage costs were not included in this calculation. For more information, see "Methodology and data."
13. During the COVID emergency, an emergency ordinance in Seattle limits app companies from charging restaurants more than 15% of the total order value: https://durkan.seattle.gov/wp-content/uploads/sites/9/2020/04/Emergency-Order-Delivery-Fee-Cap-4-24-2020.pdf
14. DoorDash was the first major gig company to set pay based entirely on a black-box algorithm, with no transparent relationship to work time or miles; most other platforms have since followed.
15. https://dasher.doordash.com/en-us/pay
16. https://www.nytimes.com/2019/07/24/nyregion/doordash-tip-policy.html
17. In our sample, the average delivery with a tip below $3 had DoorDash pay of $5.10 plus $2.50 hazard pay, while the average delivery with a tip of $3 or more had DoorDash pay of $3.98 plus $2.50 hazard pay. This inverse relationship between customer tips and DoorDash pay was also reflected in our 2020 analysis of DoorDash pay nationally: https://payup.wtf/doordash/no-free-lunch-report
18. https://help.uber.com/driving-and-delivering/article/how-are-delivery-fares-calculated?nodeId=5aecf430-8e00-4608-ba0a-8bba5b104023
19. https://entrecourier.com/delivery/gig-delivery-platforms/uber-eats/uber-eats-commentary/why-is-uber-eats-paying-less/
20. https://help.uber.com/driving-and-delivering/article/new-earnings-structure-and-upfront-trip-information?nodeId=47e7a5ab-23cb-4591-beab-8746a43926cf
21. https://driver.grubhub.com/pay/
22. https://www.kuow.org/stories/diary-of-a-seattle-gig-worker
23. https://www.livemint.com/companies/news/instacart-looked-like-a-savior-now-stores-aren-t-so-sure-11609178959980.html
24. Screenshots pulled from the Instacart Shopper app help center; information is also available publicly at https://www.instacart.com/company/shopper-community/state-of-pay-update/ While this states a minimum of "$7 to $10," that of course amounts to a minimum of $7.
25. Based on our sample, the average Instacart job in Seattle requires 55 minutes of engaged time and 5.94 miles of driving; a 20-minute job would be unusually short.
26. Curiously, Instacart lists mileage at 60¢/mile, slightly higher than the IRS rate of 58.5¢. It's unclear why Instacart's in-app mileage rate is slightly higher than the IRS rate, but since mileage pay is backed out of batch pay rather than added to it, this difference has no impact on worker earnings.
27. https://gopuff.com/blog/newsroom/a-peek-behind-the-curtain-gopuffs-unique-business-model
28. This weekly pay stub indicates 145 total deliveries and $584 in delivery commission pay; there is a discrepancy in the listing for Monday the 7th, which indicates 26 deliveries and commission pay of $108. Discrepancies like this are regular occurrences for Gopuff workers, and workers have little recourse when their pay is inaccurate or they don't understand how it was calculated.
29. Gopuff was initially branded as a late-night snack delivery service offering items similar to those found in a convenience store. Their service has recently expanded to offer an increasing number of grocery items, from fresh produce and eggs to Plan B and even hot meals like pizza.

30. Handy does not allow workers to set rates; workers are paid a flat rate starting at $22/hour for house cleaning, and rates set by the platform that vary by task for handyman services.
31. https://support.taskrabbit.com/hc/en-us/articles/207814456-Payments-on-the-TaskRabbit-Platform
32.https://www.reddit.com/r/TaskRabbit/comments/qpoc39/taskrabbit_is_now_hiding_taskers_with_higher_rates/
33. https://www.rover.com/blog/sitter-resources/meet-greet-guide/
34. https://prohelp.handy.com/hc/en-us/articles/115015961167-Cleaning-Job-Rates-and-Processing-Fees
35. See "Methodology and data" for a breakdown of these expenses.
36. https://prohelp.handy.com/hc/en-us/articles/220632127-Maintaining-a-good-rating
37. https://www.handy.com/pro_terms
38. https://publicrightsproject.medium.com/a-letter-to-handy-ceo-oisin-hanranhan-re-treatment-of-workers-f778e4673f42
39. Note that even for apps which list the total estimated mileage for the offer, workers report frequent errors that result in this mileage being underestimated, including in-app routing systems not using up-to-date information about road closures and traffic that may affect the workers' optimal route.
40. https://help.doordash.com/dashers/s/article/Top-Dasher?language=en_US#rewards-program
41. https://driver.grubhub.com/recognition/
42. https://help.uber.com/driving-and-delivering/article/what-are-delivery-acceptance-rates?nodeId=76669c36-10c9-4695-ad73-3c38f1c4710f
43. https://entrecourier.com/delivery/gig-delivery-platforms/uber-eats/uber-eats-strategy/uber-eats-hiding-upfront-information/
44. https://www.instacart.com/company/shopper-community/expanding-access-to-batches/
45. https://support.rover.com/hc/en-us/articles/208795626-What-are-sitter-performance-scores-
46. https://taskers.taskrabbit.com/2018/06/01/acceptance-rate-what-is-it and https://taskers.taskrabbit.com/2020/06/30/what-you-need-to-know-about-business-metrics/
47. The 13% figure for additional expenses is an extremely conservative estimate of workers' real expenses, calculated based on the following inputs:
   Employer-paid FICA taxes (7.65%)
   Cost for contractors to opt in to Washington state's Paid Family and Medical Leave program (0.25%)
   Average cost of unemployment insurance in Washington (1.06%)
   Average employee share of workers' compensation (2.84%)
   Business and miscellaneous expenses, such as cell phone data and cleaning supplies (1.2%)