

# Do on-demand workers view themselves as independent contractors or employees?

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## SUMMARY

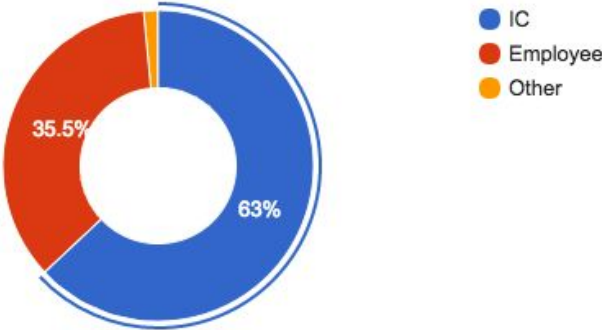
On Thursday June 4th, 2015 we posted this survey, [You decide: Independent contractor or employee?](#), on the SherpaShare blog. We wanted to understand directly from on-demand drivers how they felt about their work status, what platforms they currently worked for, and their comments. In addition to the survey, we provided context to the legal debate from both sides.

We encouraged drivers to post and spread among their online communities and did not directly market to our existing driver base. Of the 201 responses received by June 8th, 100 were current users of SherpaShare, and 101 were not. Here are some of the key findings:

## IC VS EMPLOYEE

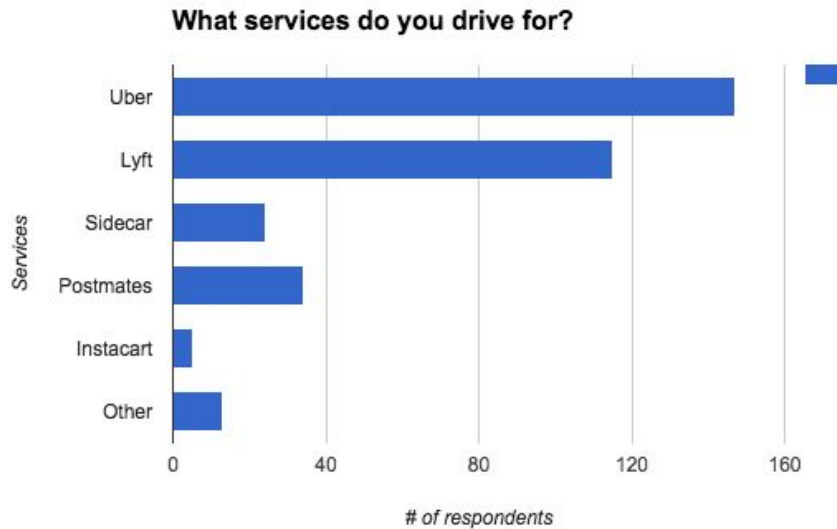
Nearly 2/3rds of workers considered themselves independent contractors when asked if they considered themselves “an independent contractor or employee?” Only 2 selected ‘Other’ with one saying they were both an IC and an employee, and the other suggesting a new third option.

Do you consider yourself an independent contractor or employee?



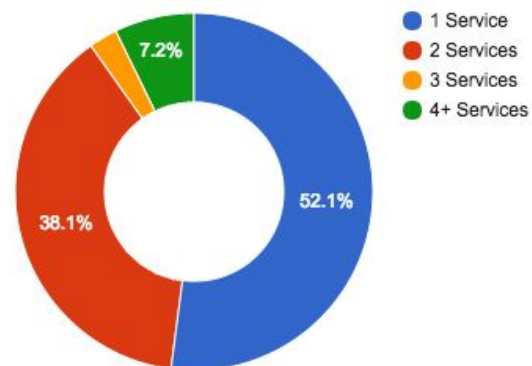
## BACKGROUND ON SURVEYED WORKFORCE

The majority - 86% - selected working either for Uber or Lyft (includes multi-platform usage). Of the rest, 20 worked only for Postmates, 6 for Sidecar, and 1 for Instacart.



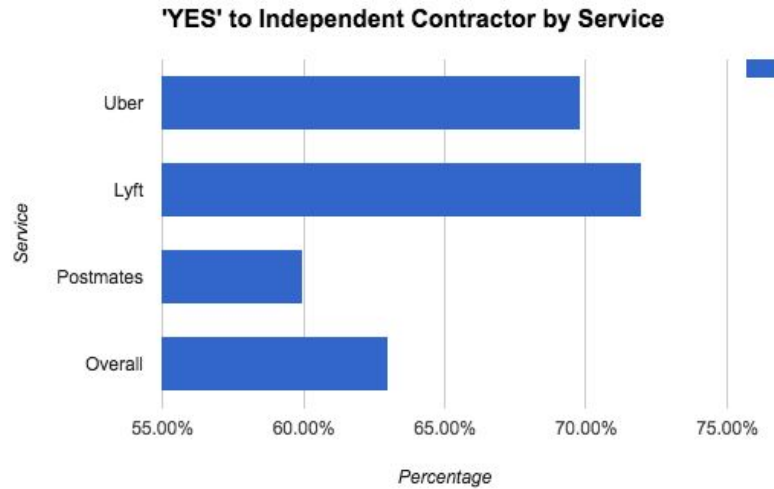
52% of the surveyed workers worked for only 1 service. Uber had the highest one service drivers (65) followed by Lyft (28). Conversely, 48% reported working for 2 or more services, which is lower than the 2/3rds of SherpaShare users who do.

## How many services do you work for?

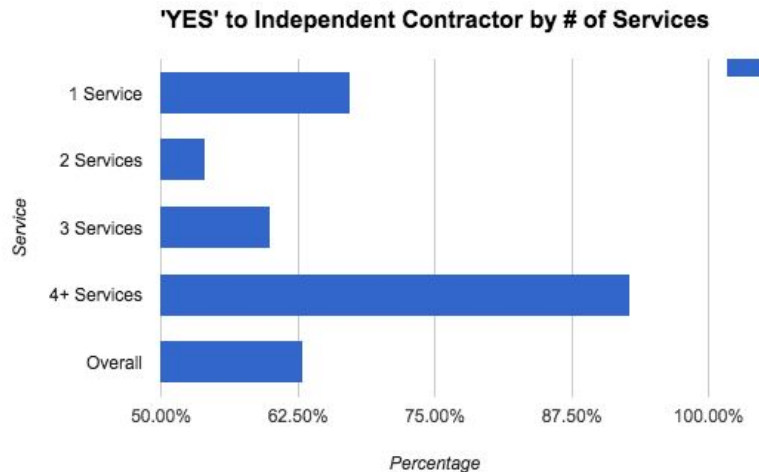


## IC PREFERENCE BY SERVICE

69% of drivers that only worked for Uber, and 72% of drivers that only worked for Lyft, considered themselves independent contractors. Those are both higher than the survey's overall IC preference of 63%.



Similar to above the survey shows that 67% of drivers who only worked for 1 service (majority Uber and Lyft drivers) considered themselves an IC. Of those that worked for 4 or more services, 13 out of the 14 (92%) considered themselves ICs. While workers on 4 or more platforms only represents around 7% of the total surveyed, based on the multi-platform trends we've seen this number will likely continue to grow.



## COMMENTS 1: REASONS TO SUPPORT BEING AN EMPLOYEE

12 of the 31 comments collected were from drivers who supported being an employee. The vast majority were consistent in their comments as pro-employee, with only a couple contradictory comments categorized in the third comments section.

The most common critiques for employee rights was the “automatic / blind dispatch” (4 of 12), “deactivation risks” (4 of 12), and “lack of driver choice” (5 of 12)

Here are the unedited comments:

| SERVICE             | SUMMARY  | RESPONSE   |
|---------------------|--|--|
| Lyft                | No control, automatic dispatch                       | The things that Lyft claims are the reason why we are independent contractors are also the reasons why we are all making less than minimum wage after gas cost. We have no control over our ability to get money. We spend hours sitting in our car along with thousands of other drivers and a computer distributes the rides. We cannot do anything to increase our earnings, it is luck of the draw.  |
| Lyft, Uber          | Threats, Firing                                      | Both companies use deactivation threats to control drivers.  |
| Sidecar             | Working Shifts                                       | I may be an independent contractor with Sidecar sometimes, but if I'm on a guaranteed hourly “Shift” (with restrictions of where I can be and what I can do), then I am much more of an employee.  |
| Uber, Lyft, Sidecar | Acceptance Penalty, Lack of driver choice            | I think if the rideshare companies didn't have things like acceptance rate, it would be easier to say we're independent. As it is, I don't feel like I can turn down a request without penalty, even if it's a pickup at a location that doesn't make sense (as the crow flies vs as the roads go) or from lower rated pax. There is also poor service to drivers when there is the rare (but it happens) issue of pax problems and/or pax rating you low out of retaliation (cause you won't do something illegal like let them drink booze or something bad for business like let them smoke). |
| Postmates           | Automatic dispatch, Lack of driver choice, Schedules | I'm an independent contractor in name only. Due to the blind dispatch in San Diego I am unable to see any details of a job except for the pick up location. Contractors should be aware of all the details of a job such as mileage and base compensation before being forced to accept or reject a job. Postmates seems to trying to drive the debate to when we work. Not how the work is done and compensated for.  |

|            |   |   |
|------------|---|---|
| Lyft       | Lack of insurance                                 | It's a horrible problem when, a person signs up because you're not told up front re what the risks would be by being an independent contractor. Like a car accident that's not your fault. You can't afford Lyft's \$2,500.00 deductible, your car is never fixed, and they leave you holding the bag! They are horrible people to work for, it all just made me wish I'd never become a driver.  |
| Postmates  | Automatic dispatch, Lack of driver choice         | Postmates used to be great but then they implemented a blind system essentially hiding all details of each job until you accept it. This makes it impossible for the independent contractors to weigh costs and benefits of any job   |
| Uber, Lyft |   | These companies are taking advantage of us by calling us independent contractors.   |
| Uber, Lyft | Trade dress, lack of driver choice                | They consider me an independent contractor. If so then they have no rights to tell me what logos I need or what I can or can't do in my own car. As long as they keep setting rules that work against MY business then I am an employee.  |
| Uber, Lyft | Lack of control and driver choice, blind dispatch | We are not able to bargain the price for Service or the rideshare owners cut, and fees. In addition monies are paid to the rideshare companies not us. Uber and Lyft make all the rules and have ways to penalize us. Riders must go through the apps to request us, rather than by word of mouth or by resumes as in independent contracting.  |
| Uber, Lyft | Lack of protections                               | We need important protections such as 1. workers compensation in case of an accident, 2. full Auto insurance coverage paid by TNCs 3. Social security contributions collected and matched by TNCs.  |
| Uber       | Threats / firing, scheduling                      | With the guidelines and other specifications and requests Uber gives drivers, I feel like drivers are truly employees for the company. And as for the work schedule aspect of the debate, Uber does request quite frequently that drivers get on the road for events and high demand periods. Although drivers have the chance to say no or ignore these requests, saying no too often can result in deactivation, putting Uber in the position of an employer penalizing or firing their employee. |

**COMMENTS 2: REASONS TO SUPPORT BEING AN INDEPENDENT CONTRACTOR**

12 of the 31 comments collected were from drivers who supported being an independent contractor.

“Flexibility” or “freedom” were mentioned in 9 of the 12 responses. Here are the unedited responses:

| SERVICE                      | SUMMARY                                | RESPONSE  |
|------------------------------|--|---|
| Uber                         | Part time flexibility                  | For part time drivers I think IC status is more beneficial. For full-times, the benefits that come with employee status would probably be worth sacrificing the independence and flexibility of IC status.  |
| Lyft                         | Part time flexibility                  | I drive 5-10 hours per week. If I had to commit to a schedule, I would not drive at all. I like the freedom.  |
| Uber                         | Part time flexibility                  | I drive when I want, for as long as I want. It's the perfect part time job.   |
| Postmates                    | Freedom                                | i enjoy the freedom of being my own boss and being an independent contractor. I do NOT want to be an employee.  |
| Uber, Lyft                   | Independence, Special Skills           | I feel like I'm working for myself, and therefore, I consider myself a subcontractor. I'm providing a special skill of having a nice car to provide a safe, clean, friendly ride and enjoy great conversation.  |
| Uber, Lyft                   | Part time flexibility                  | I prefer to be an Independent Contractor, which affords me, the flexibility to work on my own schedule. But, if one is relying on this position to be a full time occupation, but lacking benefits, this isn't the place, only because of how the system is designed and it's a great plan.   |
| Postmates                    | Flexibility                            | IC's get the short end of the stick, but have wonderful perks of scheduling your day at your leisure. Downside is businesses don't like being stiffed by shiesty customers. If the system is inequitable then the system will eventually collapse or choice we be reduced down to the companies who don't care if their employees are stiffed or ..... "shruggie" |
| Uber, Lyft                   | <i>exception when hourly guarantee</i> | Mostly feel like an independent contractor except when uber an hourly guarantee   |
| Uber, Lyft, Sidecar, Shuddle | Complete control, flexibility          | No schedule, can take time off off at any time, no assigned areas, I completely control my work environment (MY CAR!) It is really  |

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|            |   | important for me to NOT be an employee! The people who say we should do not understand the nature of the industry.   |
| Postmates  | Flexibility   | They screw us over on our money every chance they get, but I still appreciate the flexibility in saying when I want to work.   |
| Uber       |   | Your are independent. Stop trying to work the system.  |
| Uber, Lyft | The entire ecosystem implications, higher barrier, lower earnings | What makes the rideshare industry so successful is that anyone who meets the requirements can participate, thus keeping rates competitive and reasonable for the public. If it is deemed that individuals are in-fact "employed" by the company, then the structure of the system will fail. These company's will now have massive new operation costs that would probably knock a few of them out altogether. They will be forced to increase trip-rates that a good portion of the public will be unwilling to pay, they would no longer offer drivers an incentive based system of work as the employed would now be getting hourly wages instead of percentages. And the process of getting hired by the companies would change to the point where they would no longer provide nearly as much opportunity to people in this economy. Benefits may seem nice, but is it worth going from a nice weekly payment of roughly \$20-\$25 an hour down to the \$10 per hour flat-rate of most "driving jobs" in the field? No, it isn't. Is a jury going to think about all of these little intricate implications? Probably not. And in their pursuit of fair rights, the drivers of these companies will watch the ground of their opportunity crumble beneath their feet. |

**COMMENTS 3: ON THE FENCE OR SOMETHING NEW**

7 of the 31 comments collected were from drivers who either were on the fence or suggested some type of middle ground or new area.

2 of the 7 responses mentioned a “hybrid” option, 2 of the 7 suggested “scheduling / information” improvements on the part of the companies, and 2 of the 7 suggested they were “leaning employee”

| SERVICE    | SUMMARY          | RESPONSE  |
|------------|------------------|---|
| Uber, Lyft | More information | As semi-employees I feel like they should give us all of the miles logged from the app every quarter. |

|  |                                   |   |
|--|-----------------------------------|---|
| Postmates  | Hybrid                            | While I feel like an independent contractor 95% of the time, there are some grey areas that need to be addressed. Eventually, I believe they will create a new category, a hybrid between employee and IC if you will. Until then, I still see myself as an IC.   |
| Uber, Lyft, Sidecar, Postmates, Wingz, Instacart | Hybrid                            | The ideal would be an hybrid status with the flexibility of IC and some protections from employee   |
| Uber, Lyft                                       | Scheduling                        | The freedom is why I started doing this full-time. My biggest issue with the job now is that Uber and Lyft flood the market with as many drivers as possible without regard. This decreases the chance to make money and I think being an employee with set hours for everyone would eliminate the problem.   |
| Uber, Lyft, Sidecar, Instacart                   | Learning employee..               | Sidecar is skirting the employee line pretty closely. We have shifts, hourly rates, and we cannot decline calls at all. Also, they've gone as far as to tell us that we have to meet a certain dress code...  |
| Uber, Lyft, Sidecar, Postmates, Instacart        | One over many                     | I would rather be an employee with basic coverages and benefits at one company (Lyft) than an independent contractor for multiple companies.  |
| Uber, Lyft                                       | Leaning employee.. Part of a team | i "consider" myself an independent contractor because it was made clear to me when i was onboarded that i am contracted, and will be responsible for my own taxes. I'd like to be an employee because i personally develop a strong sense of loyalty and accountability towards companies i work for, and having things like benefits really helps you feel like a valued member of the team. |