



# Seattle DNC Driver Survey

A Report on Hours, Earnings, Expenses, & Other Policy Considerations

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# Introduction

In this report we use the results of the survey, created by Drive Forward, to estimate drivers' hours, pre-tip earnings, and expenses. We also examine how drivers use the platforms, think of their income, and other policy considerations. Through the data provided in the survey we see a clear pattern of how most DNC drivers view the work they do and income they earn through the platforms. The survey results largely confirm the anecdotes, conversations, and other subjective information we have heard from Drive Forward Members, drivers, and the DNC community.

Prior to the survey, it was Drive Forward's position that many DNC drivers were part-time earning a second or non-primary income in vehicles they already owned, and that the earnings pre tip were significantly lower than TNC earnings, likely near or below the equivalent of Seattle's Minimum Wage. However, with the onset of the COVID-19 Pandemic, the collapse of the TNC market, and the demand growth in the DNC market we saw many of our members make the switch from TNC to DNC and wondered if we needed to reconsider our position on DNC work. Combined with expected legislation from the City of Seattle on a DNC Earning Standard, we decided to conduct a survey to gather data to help us make informed policy decisions in the DNC space.

What the survey data of 795 total respondents confirmed was 75% of DNC Drivers are part-time, DNC work is not the primary income source for 58% of drivers, and 66% of drivers already owned their vehicles. In the area of most concern, pre-tip earnings, the survey confirmed many drivers' gross earnings were in a range (\$27.18/hr. – \$15.39/hr.) where after deducting reasonable mileage expenses (\$0.3442/mile) many would fall below an equivalent to Seattle's Minimum Wage of \$16.69/hr.

The survey also asked DNC drivers about Seattle's newly created temporary Paid Sick and Safe Time law, how they accessed health Insurance, and inclusions in any proposed Portable Benefits System that may be created for gig workers.

The results of the survey suggest that DNC work offers drivers a way to make additional money in their spare time, and that the majority of DNC drivers use the platforms in that manner. Even though the survey also shows when using the platforms for only a few hours a week a driver can earn above Seattle's Minimum Wage after expenses, it does highlight our concern that not all drivers achieve that level of earnings, especially when working full-time hours.

# About the Survey

The Survey was created by Drive Forward as a vehicle to inform the organization on the state of the DNC industry as it relates to DNC driver hours, earnings, expenses, and other policy priorities. The questions were written and ordered by Drive Forward staff, with input primarily from our Members Advisory Committee and reviewed by some Members of our Board of Directors. We created the survey through the Survey Monkey platform and provided links to the prospective respondents to take the survey. These links were initially distributed through Drive Forward's website, public email list, and social media channels. Links to the survey were also sent to DNC Drivers directly by some DNC companies who agreed to help us distribute the survey. These companies were UberEats, DoorDash, Postmates, and Insatcart.

The survey links were live from February 16, 2021, until March 18, 2021. In total we received 795 responses to the survey with 84.2% of the responses received in the first four days. In the survey when asking respondents about requests and earnings we requested them to only consider their activity for the week beginning February 1, 2021. By asking for a specific recent period, it should be easy for a participant to look up the actual figures, therefore a participant is more likely to give an accurate answer to the question. This method of asking for data in a survey is the same method economists Parrott and Reich used in their study for the City of Seattle during the Fare Share Ordinance process. In choosing this week we took into consideration potential holidays, school vacations, and other factors that could artificially increase or decrease demand. Prior to fielding the survey, we inquired of some DNC companies if they noticed any unusual increase or decrease in demand. In choosing the week of February 1, 2021, we are confident that the demand in the DNC industry was comparatively normal.

The survey itself was anonymous, we asked for no personally identifying information, and did not ask for any demographic information. We did have a link at the end of the survey to an outside website to enter a drawing for a \$100 gift card as a thank you for participating in the survey. Personal data was collected on that website but could not be matched in any way with the responses in the survey.

# How Drivers Work

The survey results very clearly showed Seattle area DNC drivers are a part-time workforce that use the DNC platforms to earn additional income. Except for full-time drivers, most do not use multiple platforms. Washington State defines full-time work as 32 hours per week or more.

## 75% of Drivers Work Part Time

Drivers are a predominately part-time workforce, only 25% work full-time. More than half (57%) reported working less than 20 hour/week. With a third of drivers working 10 hours or less.

## 58% Driving is Secondary Income

Additionally when asked if DNC platform work was their primary source of income 58% said it was not their primary source of income. With a total of 62% indicating they had multiple sources of income. Of the remaining 38% of DNC drivers for whom this work is their primary and only source of income, 8% are students and 85% of those work part-time.

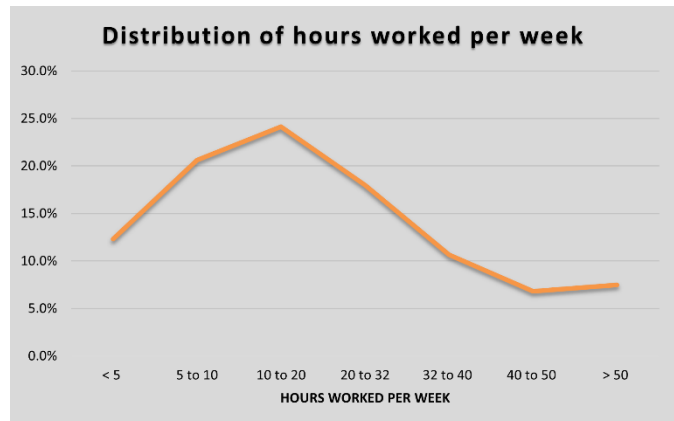


FIGURE 1 HOURS WORKED

What surprised us in the results of the survey was how few drivers reported using both DNC and TNC platforms (15.3%) and the lack of drivers using multiple DNC platforms (39.7%). However, there was a significant increase in multi-platform use amongst full-time DNC drivers (55%). It could be reasonable to assume that the low

figure of respondents operating on both TNC and DNC platforms is due to the COVID-19 Pandemic, at the time the survey was being conducted the Seattle area was still in a modified Phase 1 economy, TNC activity was minimal, and this figure may not reflect a pre or post pandemic norm. The lower-than-expected DNC multi-platform use just further confirms that most drivers consider this work to be supplementary, as a widely accepted

best practice to maximize earnings is to use multiple platforms and this best practice seems to be more employed by full-time drivers where maximization of earnings is critical to success.

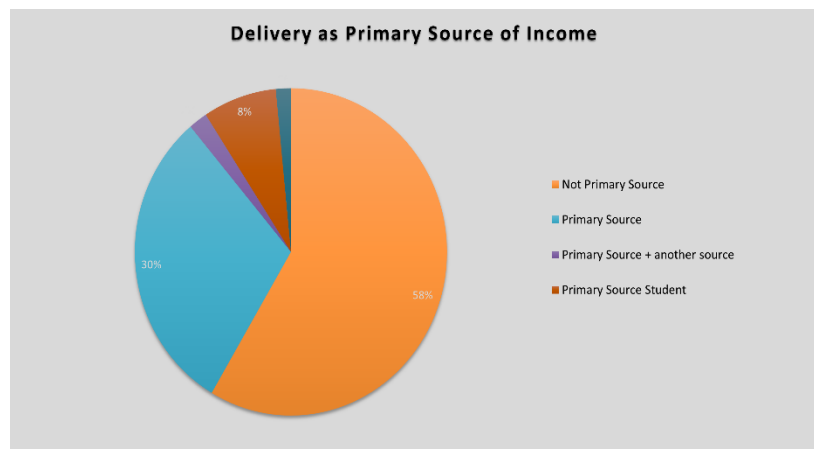


FIGURE 2 PRIMARY INCOME

# Requests and Earnings

Responses to our questions on requests and earnings painted a very clear picture of drivers experiences and largely confirmed our assumptions prior to conducting the survey. We are going to show the data on requests on earnings by breaking it down in to groupings based on reported hours worked. As you can see in Figures 3 & 4, the horizontal axis is label in Weekly Hours Worked, and the vertical axis is the Average Completed Requests or Average Pre-Tip Earnings. We have chosen to show the data in this format as it clearly shows a correlation between requests completed and earnings and a correlation between both Requests and Earnings and Hours Worked.

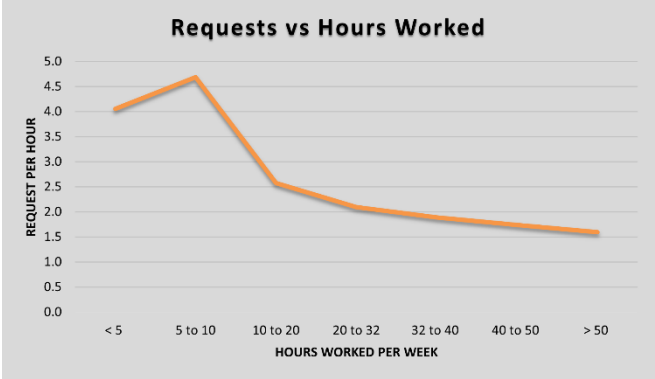


FIGURE 3 COMPLETED REQUESTS PER HOUR

## Drivers Gross Earnings Range \$15-\$27 per Hour Pre-tip.

The survey data clearly demonstrated DNC drivers that worked fewer weekly hours completed more requests per hour, up to 4.7 on average, and took in higher Pre-Tip Hourly Earnings, up to \$27.31/hour. When hours worked on the app increased, requests and earnings decreased. A driver working Full-time (32-40 hours per week) would only average 1.9 requests per hour, taking in \$15.78/hour in Pre-Tip Earnings. While we cannot make any conclusions on the cause of this result, in discussions of this with Drive Forward Members and our Member Advisory Committee, we believe this confirms the anecdotal opinion amongst many that DNC earnings and requests are highly sensitive to peak time demand. In other words, a DNC Driver strictly working during peak dinner delivery hours would be more successful on an hourly basis than one working a full-time schedule that would include non-peak hours where demand is significantly lower.

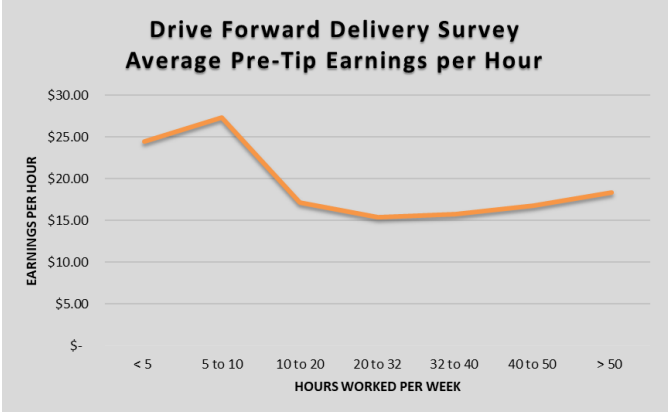


FIGURE 4 EARNINGS PER HOUR



# Mileage Expenses and Vehicle Ownership

## Only 11% of DNC vehicles are purchased primarily for work

Through the survey we also wanted to gain more information on the costs drivers incurred for contracting with DNC companies. We also wanted to look at the motivation for driver’s vehicle purchases, mostly to see if the costs for operating a DNC should be considered marginal to the ownership costs or if the full costs of ownership should be considered in any policy matters. What the survey shows only a fraction (11%) of DNC drivers are purchasing a vehicle for the main purpose of performing DNC work. Knowing drivers are purchasing vehicle for primarily personal use, assigning the full annual cost of ownership would not be an accurate assessment of the true costs of performing DNC work.

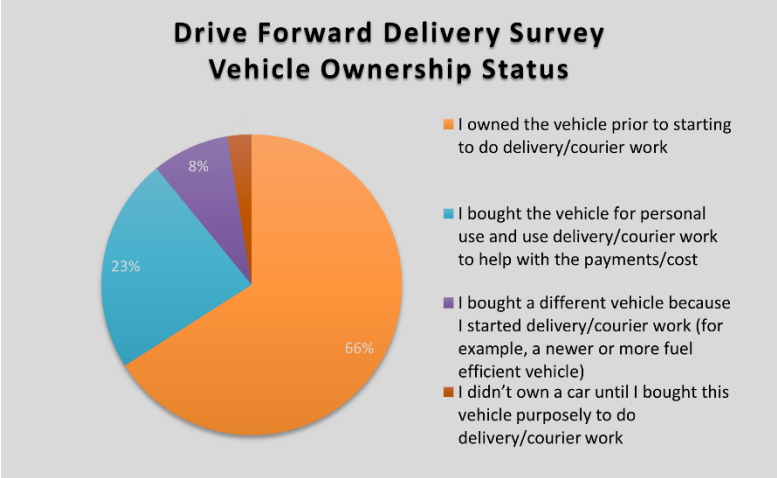


FIGURE 5 VEHICLE OWNERSHIP

In the Survey we asked participants to estimate their monthly costs for fuel, insurance, payments, maintenance and repair, and miscellaneous costs associated with performing DNC work. We also used AAA information published in “Your Driving Cost 2020” brochure (<https://newsroom.aaa.com/wp-content/uploads/2020/12/2020-Your-Driving-Costs-Brochure-Interactive-FINAL-12-9-20.pdf>), including data on depreciation, license, registration, and tax costs. In Table 1 we detail our calculations for a reasonable per mile reimbursement rate for DNC work.

## Operating Costs are \$0.34 per Mile

When we considered these calculations, we wanted to make sure we were accurately considering depreciation, and a fair distribution of the costs for work or personal use. For this we asked participants about their miles driven during the week of February 1, 2021. We asked them to report miles driven for DNC work and miles driven for all other purposes. The average miles driven as reported in the survey was 616 miles for the week. Annualizing this figure shows that DNC drivers average 32,032 miles per year. The survey also showed 73.4% of all miles driven on average were for DNC work. For depreciation AAA calculates a Medium Sedan depreciates at \$3,394/year based on driving 15,000 miles per year. We know depreciation is not a linear function but a curve that flattens as the vehicle gets older and more miles are accrued. AAA adds \$252 per year in

TABLE 1 TOTAL OWNERSHIP AND OPERATING COSTS

Calculation of Reasonable per Mile Reimbursement Rate	Cost of All Miles Driven	Cost of Work Miles Driven (73.4% of all Miles Driven)
<b>Operating Costs</b>		
Survey Average Monthly Fuel Cost	\$ 220.67	\$ 161.97
Survey Average Monthly Maintenance Cost	\$ 113.51	\$ 83.32
<b>Total Average Monthly Operating Costs</b>	<b>\$ 334.18</b>	<b>\$ 245.29</b>
<b>Annualized Total Operating Costs</b>	<b>\$ 4,010.12</b>	<b>\$ 2,943.43</b>
<b>Ownership Costs</b>		
Survey Average Monthly Insurance Cost	\$ 170.74	\$ 125.32
Survey Average Monthly Finance Cost	\$ 236.23	\$ 173.40
Survey Miscelainous Costs	\$ 102.69	\$ 75.37
<b>Survey Average Monthly Ownership Costs</b>	<b>\$ 509.66</b>	<b>\$ 374.09</b>
<b>Survey Annualized Ownership Costs</b>	<b>\$ 6,115.97</b>	<b>\$ 4,489.12</b>
License, Registration, Taxes	\$ 730.00	\$ 535.82
<b>Depreciation</b>	<b>\$ 4,150.00</b>	<b>\$ 3,046.10</b>
<b>Total Annual Ownership Costs</b>	<b>\$ 10,995.97</b>	<b>\$ 8,071.04</b>
<b>Total Annual Costs</b>	<b>\$ 15,006.09</b>	<b>\$ 11,014.47</b>
<b>Cost Per Day</b>	<b>\$ 41.11</b>	<b>\$ 30.18</b>
<b>Cost per mile (32k miles/year personal+work)</b>	<b>\$ 0.4689</b>	<b>\$ 0.3442</b>

depreciation costs for driving an additional 5,000 miles over the initial 15,000 miles. Using this figure, we can estimate additional depreciation for 32,000 miles versus 15,000 miles should be about \$756 more than the depreciation reported at \$3394 per year for a total of \$4150.00.

Using these numbers from the survey and AAA data, we were able to calculate Total Ownership and Operating Costs for DNC drivers and the costs for work as show in Table 1. The annual Total Ownership and Operating Costs came to \$15,006.09 per year or \$0.4689 per mile based on 32,000 miles driven. When using the reported average of 73.4% of all miles driven being miles driven while performing DNC work, we calculate the Total of Ownership and Operating Cost for DNC work at \$11,014.47 per year, or \$0.3442 per mile.



# Other Survey Topics

While the survey’s primary focus was on Hours, Earnings and Expenses of DNC Drivers, we also asked some limited questions on topics covering other policy considerations. These topics include Seattle’s Emergency Gig Worker Paid Sick and Safe Time, Access to Health Insurance, and Portable Benefits Preferred Inclusions.

## Paid Sick and Safe Time (PSST)

### 90% of Drivers Have Not Used Seattle’s PSST Law

On July 13, 2020, Seattle’s Emergency Gig Worker Paid Sick and Safe Time law went into effect. This law provides TNC and DNC contractors with Paid Sick and Safe Time (PSST) funded by the companies. We asked survey participants if they had requested and received this benefit and even though the law had been in effect for more than six months very few participants had taken advantage of the benefit (see Table 2).

TABLE 2 PAID SICK AND SAFE TIME USE

Have you requested and received Paid Sick and Safe Time from and of the delivery apps you contract with?	% Response
No, I have not made a request for Paid Sick and Safe Time	87.91%
No, but I received other COVID-related financial support from an app-based company	2.42%
I requested Paid Sick and Safe Time, but the request was denied	2.20%
I requested Paid Sick and Safe Time, but have not been paid yet	0.88%
Yes, I have received Paid Sick and Safe Time	6.59%

### 74% of Drivers Support Seattle’s PSST Law

We also asked about support for the PSST program. As Table 3 shows, the program is very popular with the participants with a net support of nearly three quarters of respondents (74.28%). Net opposition to the program was a mere 6.6%.

TABLE 3 PAID SICK AND SAFE TIME SUPPORT

Would you support the creation of a permanent Paid Sick and Safe Time program like the temporary City of Seattle system?	% Response
Strongly support	55.60%
Support	18.68%
Neutral	19.12%
Oppose	3.30%
Strongly oppose	3.30%

## Access to Health Insurance

### 81% of Drivers have Access to Health Insurance

As independent contractors DNC drivers have no access to traditional company provided benefits, including company sponsored health insurance. We asked survey participant to tell us how they accessed health insurance. We expected the number of respondents stating they had no health insurance to be high and at 18.46% (Table 4) it is more than double the national average of 8.8% of people without health insurance

(<https://www.census.gov/search-results.html?searchType=web&cssp=SERP&q=Health%20insurance>). This shows why Drive Forward has been calling on government to create a system of portable benefits so more gig workers can access traditional benefits.

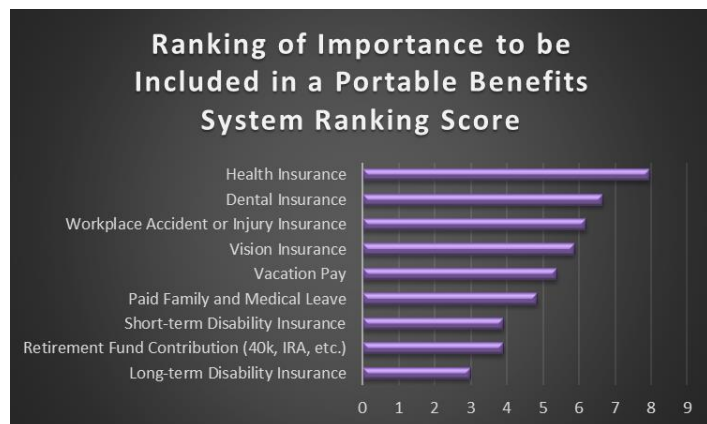
**TABLE 4 HEALTH INSURANCE ACCESS**

How do you receive Health Insurance	% Response
I do not have health insurance	18.46%
I purchase health insurance on the individual market	6.15%
I purchase health insurance through Washington Health Plan Finder (Obamacare)	13.19%
I have health insurance through a spouse, partner, or family member’s job	20.00%
I have health insurance through another job	23.52%
I am enrolled in Medicare	7.91%
I am enrolled in Medicaid	8.57%
Veteran's Affairs	1.76%
Other (please specify)	0.44%

## Portable Benefits Preferred Inclusions

### Health, Dental, and Vision Rank Near Top of Desired Benefits

The survey followed up on the health insurance access by asking participants to rank in order of preference benefits they would like to have included in any system of portable benefits managed by government, and paid into, at least in part, by companies contracting gig workers. The Ranking Scores listed in Figure 6 were automatically calculated by Survey Monkey. It clearly shows gig workers value health care and safety benefits above all. This reinforces Drive Forward’s push to have government create a portable benefits system to aid gig workers to access health care and other benefits they don’t currently receive through their contracts with DNC and TNC companies.



**FIGURE 6 PORTABLE BENEFITS PREFERRED INCLUSIONS**

# Conclusion

It is clear from the Drive Forward Delivery Survey DNC Drivers are primary part-time independent contractors looking for a flexible secondary source of income, who primarily use a vehicle intended for personal use. The survey however does illustrate the earnings do have a wide range and can fall below the equivalent of Seattle's Minimum Wage especially for the minority of drivers working full-time hours.

Given these conclusions it is reasonable for Drive forward to continue its efforts to support legislation that creates a DNC Driver earnings standard, set as a pay floor, equivalent to Seattle's minimum wage with a reasonable expense reimbursement. The Survey does not however show that all DNC driver's earnings are below such a standard so setting a fixed rate standard should not be considered as it would artificially set an upper limit to a driver's earnings, thereby removing the entrepreneurial aspect of the work many DNC Drivers value.

Additionally, the survey clearly shows support amongst DNC Drivers for continued access to Paid Sick and Safe Time benefits and a need for access to Health Insurance. Drive Forward will continue to call on the state and local government to support the creation of a portable benefits system for gig-workers so they can access an expanded set of benefits including Health Insurance.

# Appendix: Earnings with Tips

## Tips Ranged From \$11-\$28 per Hour

While not discussed in the main report's section on earnings it may be useful to illustrate the effect of tips to gross earnings of DNC Drivers. As with Requests and Earnings, Tips followed the same pattern of being higher per hour when working fewer hours per week, as seen in Figure 7. Tips ranged from \$27.75 per hour to \$11.68 per hour. Total Gross Compensation per Hour therefore ranged from \$53.61 per hour to \$27.36 per hour before expenses.

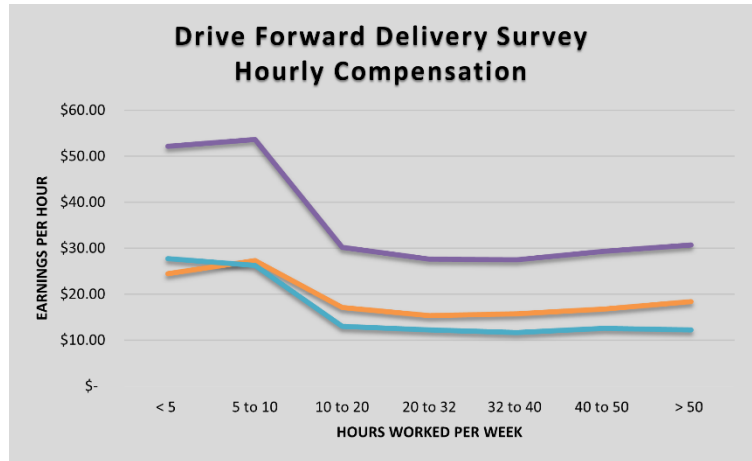


FIGURE 7: TIPS AND TOTAL COMPENSATION