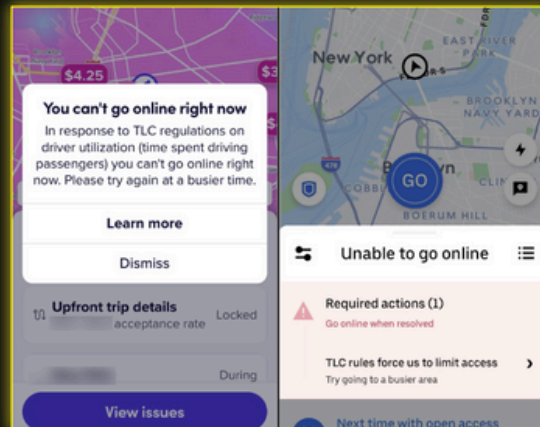




How Uber and Lyft Used a Loophole to Deny NYC Drivers Millions in Pay

The city's unique pay formula created a perverse incentive for Uber and Lyft to prevent drivers from logging on, even during periods of high demand.

By [Natalie Lung](#), [Leon Yin](#), [Aaron Gordon](#) and [Denise Lu](#)
for **The Big Take**
October 10, 2024



One August morning in south Brooklyn, Mohamed Mohamed did what he's done almost every day for nine years: He woke up at 5 a.m., said his morning prayer and got ready for work as a rideshare driver. He opened up Uber's app, and in the center was a big blue button that said "GO."

Except that Thursday, pressing "GO" didn't do anything. Instead, a familiar banner flashed red: "Unable to go online." Below it, Uber explained, "TLC rules force us to limit access," a reference to New York City's Taxi and Limousine Commission. "Try going to a busier area." Lyft's driver app told him the same thing: "You can't go online right now."



6:12 A.M. **LOCKED**

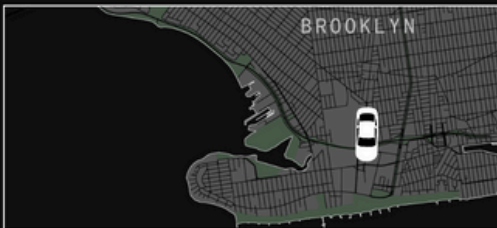
TOTAL EARNED	\$0.00
HOURS ON ROAD	0H 0M
HOURLY RATE	\$0.00

As Mohamed leaves his home in Brooklyn for the day, he is locked out of Uber and Lyft for more than an hour.

6:30

7:00

7:30



7:37 **UNLOCKED**

TOTAL EARNED	\$5.96
HOURS ON ROAD	1H 32M
HOURLY RATE	\$3.89

He gets unlocked by Uber, completes a ride in Brooklyn and gets locked out again.

7:47 **LOCKED**

7:54 **UNLOCKED**

After getting unlocked by Uber, he starts a ride from Brooklyn to Manhattan.

8:00



8:30

TOTAL EARNED	\$70.50
HOURS ON ROAD	2H 52M
HOURLY RATE	\$24.59



9:13 **LOCKED**

After the ride, he gets locked out again. "This is like every day," he says. Uber tells him the next time he can go online is 5 p.m.

9:30

10:00



After being locked out of Uber for nearly two hours Mohamed starts to return to Brooklyn, but gets unlocked earlier than expected while heading toward the Williamsburg Bridge.

10:30

TOTAL EARNED	\$70.50
HOURS ON ROAD	4H 37M
HOURLY RATE	\$15.27

10:49 UNLOCKED

At 11 a.m., he starts a ride in Manhattan. He remains unlocked by Uber and gets rides for five more hours, but is locked out of Lyft all day.

11:00



TOTAL EARNED	\$93.32
HOURS ON ROAD	5H 9M
HOURLY RATE	\$18.12

11:21

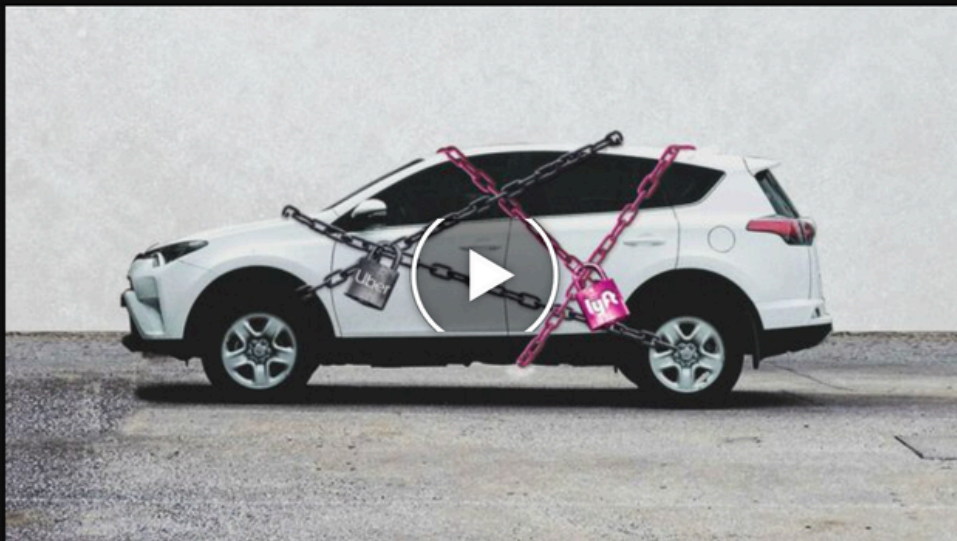
Note: Locations, routes and times are approximate. Mohamed's listed earnings include nine dollars in tips.

This happened again. And again. Mohamed was locked out of Uber three times, unable to accept rides for three of the five hours he was on the road. He was locked out of Lyft the entire time.

“It’s by luck,” Mohamed said, logging his troubles in audio recordings as he waited in his car, deciding where to go next. “I don’t know how it works.”

The whole summer was like this for rideshare drivers in New York City. Under a local law, drivers are supposed to be paid even for the time they spend between trips. But Uber and Lyft found a money-saving loophole: Simply prevent them from logging into the apps, erasing some of their working time from the record. Because these so-called lockouts happen without warning, and can last anywhere from several minutes to several hours, drivers have had to work longer to keep their wages up. And in many cases, they can’t.

Watch: How Uber and Lyft Lockouts Cost Drivers Millions



When Bloomberg first reported on the existence of lockouts, Uber and Lyft said they were locking out drivers only during periods of low demand. But the practice has been more pervasive, widespread and financially damaging for drivers than previously understood, a Bloomberg investigation found. These lockouts occurred almost every hour of every day, according to the data, which included more than 800 drivers, or roughly 1% of registered drivers in the city. They even happened in high-demand areas, leading to some increased fares because there were fewer cars available for hire. By making drivers seem busier

on paper, the companies set themselves up to save as much as hundreds of millions of dollars in driver payouts, according to Bloomberg estimates – all while telling the drivers, falsely, that the lockouts were required because of the law.

Lockouts Occur at Nearly Every Hour of Every Day

Drivers reported being locked out even during Uber's open access times, when the company tells them they should be able to log on

Number of drivers reporting lockouts by Uber

	SUN	MON	TUE	WED	THU	FRI	SAT
→ OPEN ACCESS TIMES	0	5	13	9	9	13	1
	0	7	13	6	18	20	0
	10	5	10	5	8	13	15
	7	6	10	7	9	8	12
	7	9	12	13	13	15	10
	11	7	20	12	13	22	13
	13	11	25	15	16	21	13
	15	1	1	0	1	0	18
	21	0	1	0	2	0	12
	21	22	23	23	20	41	11
	11	22	33	18	15	28	18
	10	10	25	17	38	18	19
	12	14	41	19	34	15	13
	7	19	24	21	38	17	11
	2	19	14	24	34	16	12
	2	18	17	19	22	22	16
	7	16	17	17	20	15	11
	0	1	0	0	0	0	0
	0	1	0	2	1	1	1
	0	30	35	34	35	50	3
	0	0	15	14	23	37	31
	0	0	11	18	14	31	25
	0	0	11	10	10	17	0
	1	0	10	17	12	11	0

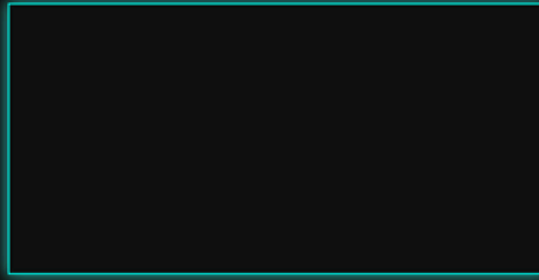
... and by Lyft

	SUN	MON	TUE	WED	THU	FRI	SAT
12 A.M.	0	4	12	8	12	12	1
	0	1	4	3	10	13	0
	4	2	5	6	4	9	0
	2	4	3	2	5	5	0
6 A.M.	5	3	3	4	8	5	2
	8	6	11	10	13	4	7
	14	9	13	12	9	5	13
	16	10	11	12	14	6	15
	15	12	13	9	16	17	14
	12	19	14	20	18	23	11
	12	14	15	22	12	26	16
	17	16	18	23	39	20	18
12 P.M.	23	11	22	25	28	24	15
	14	17	17	24	29	33	17
	11	21	14	23	38	23	20
	5	17	32	26	42	30	16
6 P.M.	14	15	25	32	45	28	22
	19	17	23	22	42	22	24
	14	8	27	20	51	23	21
	10	18	25	24	24	26	21
	19	9	13	26	22	36	23
	14	13	23	19	28	31	22
	0	18	12	14	17	26	0
	0	7	5	13	13	17	0

Source: Bloomberg crowdsourced 5,391 screenshots of lockouts from 620 Uber and 579 Lyft drivers between Aug. 14 and Sept. 8.

Note: Lyft does not have the equivalent of open access times.

To reach a broad population of drivers, Bloomberg built a WhatsApp tipline, where drivers submitted over 5,300 screenshots that reporters verified, showing the times they were blocked from working between mid-August and early September.



Drivers sent screenshots of lockouts to Bloomberg via a WhatsApp tipline. Read more in the methodology below.

Bloomberg interviewed almost 120 drivers, many of whom described the physical, financial and mental health burden of losing a previously predictable stream of income. For years, Uber and Lyft have fought with regulators across the world to define drivers as independent contractors, not employees – arguing that workers are better off having a flexible schedule and being their own bosses. But over this long, frustrating summer, drivers never knew when they'd be allowed to work, and often had no choice but to spend more unpaid hours on the road if they wanted any chance of matching their typical earnings.

Both Uber and Lyft acknowledge the practice is harmful to drivers, but argue they're necessary.

“We agree that lockouts are horrible,” said Uber spokesperson Josh Gold, who added that they are not an unintended consequence, but rather a feature of New York City’s minimum-wage law. “The rule effectively presents us with two choices: restricting access at times of low demand, or kicking drivers off Uber altogether,” he said.

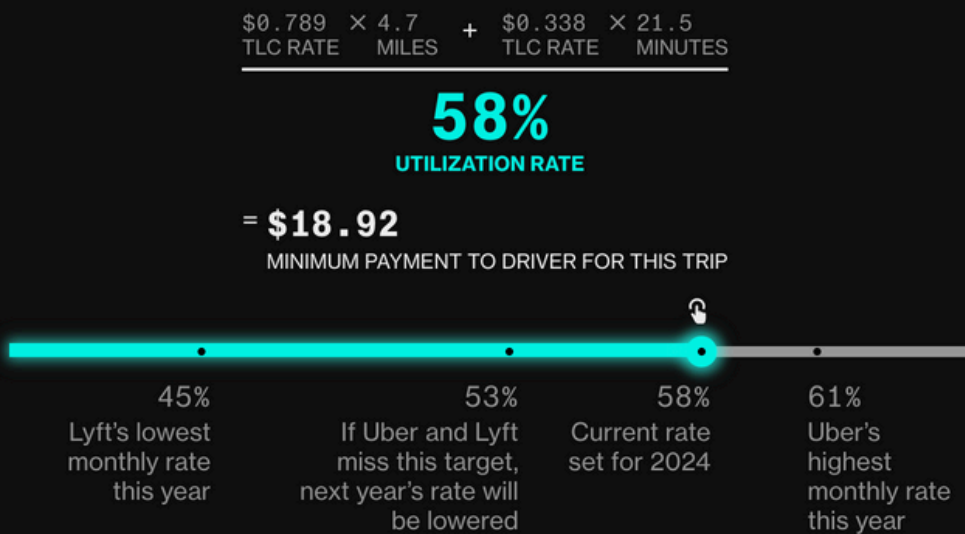
The city’s minimum-pay rule – the first in the nation designed for rideshare drivers – sets an hourly wage using a complicated series of factors, including trip time and mileage, plus time spent with passengers, driving toward pickups and waiting for new trips. Unlike other cities and states that have since enacted a fixed minimum wage for drivers, the minimum pay in New York City is designed to be an ever-shifting number that’s based on trip data from the major rideshare companies. TLC recalculates this industry-wide pay rate once a year.

The key metric is the “utilization rate” – and it’s more or less what it sounds like: a measure of how much time drivers spend with passengers. The current rate, 58%, assumes that out of every 100 minutes Uber and Lyft drivers are online and available to work, only 58 of those minutes are with a passenger and the other 42 are either spent waiting for a ride request or on the way to a pickup.

The higher the utilization rate, the lower the minimum fare for each ride. At first, it appeared an elegant solution to a complex problem. If the companies keep drivers busy, drivers earn a fair wage from fares. But if drivers have too much downtime, riders’ fares aren’t covering as much of the minimum pay, and that means higher costs for the companies over the long term. For example, if the TLC decided next year to lower the utilization rate from the current 58%, Uber and Lyft would have to comply with a higher pay rate and compensate drivers more.

When Drivers Look Busier, Uber and Lyft Save Money

Here’s how much the companies would spend on minimum driver pay for a nearly 5-mile trip based on a hypothetical utilization rate:



And here’s how much the companies would have spent on minimum pay for all rides in the first half of 2024 with each rate:

No change (\$1.6B)
FROM UBER

No change (\$567M)
FROM LYFT

Source: New York City Taxi & Limousine Commission

Note: The pay formula does not dictate the actual pay a driver will earn and does not factor in tips, surge pricing or other incentives.

The pay formula leads to the lockouts solution, said Lyft spokesperson CJ Macklin. “Which means drivers continue to see limits on when they can earn, riders are still waiting longer to get to where they need to go, and Lyft can’t serve New Yorkers in the way they are expecting,” he said. (By Lyft’s calculation, its customers have been waiting about two minutes longer per trip.)

“This poor experience is why we don’t deploy lockouts anywhere else except in this unique situation, and it’s why we need a long-term fix,” he added.

Regardless of how regulators respond, the damage to drivers is already done. Dozens told Bloomberg that the unsteady income during months of lockouts caused them to fall behind on taxes, auto loan payments, rent and credit card bills.

One driver, Ezra Ginsberg, said he is in credit card debt for the first time in his life as a result of the lockouts and that he owes \$10,000, made worse each month by compounding interest. He has no money left in reserve to pay his quarterly taxes, he said.

Another, Akinwunmi Komolafe, worked 13-hour days as a Lyft driver over the summer, but due to the lockouts fell behind on credit card payments. His checking account now has a negative balance. He couldn’t afford to visit his wife in Maryland the day she gave birth to their son in late July. He had to borrow money from friends to visit his newborn several days later.

“I wish I could go every month and spend about five days with them, but this situation, it’s highly impossible,” Komolafe said. “It’s so frustrating, sad and pathetically difficult.”

Mohamed racked up \$2,000 in credit card debt due to his lower earnings. He had delayed some tire repairs and opted to clean his aging minivan, a 2015 Toyota Sienna, every 10 days instead of every two to three. “This is like a monkey business,” Mohamed said in one of his audio notes. “You are ready to work, and they tell you no, you’re not going to work now. Many days I feel depressed.”



Mohamed Mohamed, who drives for both Uber and Lyft, says his earnings have decreased as a result of the lockouts and that he has to work longer hours in an attempt to make up the difference. *Photographer: Lila Barth/Bloomberg*

Two drivers mentioned contemplating suicide as they worried about not being able to support their families.

They're all victims of the way Uber and Lyft decided to solve a supply and demand problem: The rideshare companies had accepted new drivers faster than they could add more customers. That meant they were on the hook for meeting New York City's minimum-pay requirements.

When the policy started, it was seen as a model of what could work in other big cities with a large workforce of drivers in a way that not only paid drivers fairly but also incentivized the rideshare firms to more efficiently manage their driver pool, cutting down on congestion in dense urban areas. But even those who helped come up with the rule didn't anticipate the companies would respond by shutting drivers out of the app.

Another driver, Kifilu Kadri, said he quit his retail job in 2016 to drive full-time. “It gave you freedom,” he said. “You’d be able to drop your son to school, pick your son up from school. Flexible work, drive when you want to work and make money when you want to work. And it’s New York City. You make good money, versus other places. So this is the end of it.”

Whenever drivers get locked out, Uber shows a schedule for what it calls “open access times,” which it describes as hours when they can expect to drive. That includes two hours in the morning and another two in the evening on weekdays, in addition to odd hours on the weekends – a fraction of the hours many drivers worked in a typical week before the lockouts.



Screenshot from a driver showing Uber’s open access times. Shown with permission.

But some drivers were still unable to work then. More than one in eight Uber drivers who participated in Bloomberg’s investigation were locked out during open access times at least once. Gold, the Uber spokesperson, said “our own internal review shows over 99.9% accuracy” complying with open access times. (Lyft doesn’t have the equivalent of open access hours.)

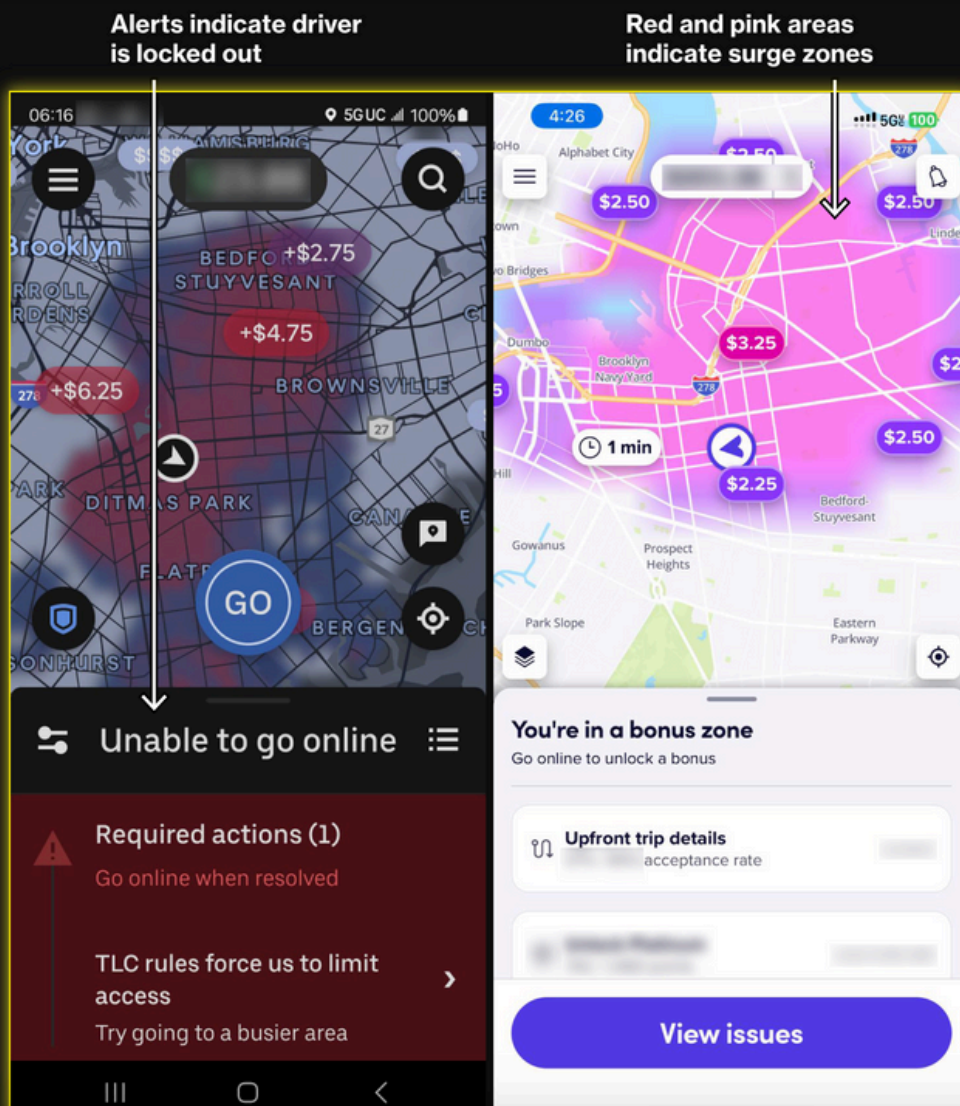
Lyft drivers even reported being blocked in New Jersey, where New York City's pay rules don't apply.

Drivers heeding the apps' advice to go to busier areas including surge zones often still found themselves locked out. Many told Bloomberg they found this particularly upsetting because surge zones are intended to entice drivers to a specific high-demand area.

"They're pretending to be transparent," Ginsberg said of Uber. "It's like saying, 'Hey, free ice cream, free ice cream.' And then as soon as you get to me, it's like, 'Oh no, sorry, the ice cream has already been given out, which it probably was. So then just say, 'Hey, free ice cream for the first 50 people,' or just tell 50 people that there's free ice cream. Don't tell 300 people.'"

Drivers Reported Being Locked Out in Surge Zones

Screenshots of drivers' apps indicate lockouts occurred near busy events such as the US Open and during peak hours.



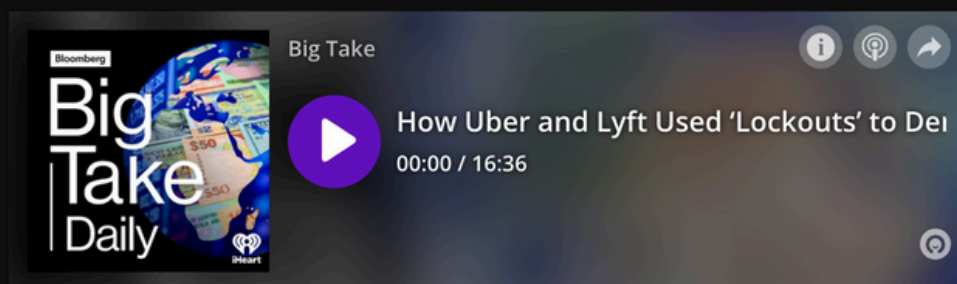
It's not good news for riders either. By keeping drivers locked out in surge zones, the rideshare companies further limited the supply of drivers in a way that may have led to even higher prices for passengers. Of the 3,700 screenshots of lockouts with a discernable location collected for this investigation, more than 430 were reported by drivers near a surge zone confirmed by Bloomberg. In nearly half (44%) of those cases, surge pricing increased after the lockout occurred. (More on how Bloomberg calculated this in the [methodology](#).)

Trying to find work was often harder than it seemed, even when the apps used bright colors to illustrate busy areas. On the second night of the US Open, Angel Recalde, a Lyft driver who had been locked out for hours at a time, decided to change up his usual routine of driving in Manhattan and relocated to LaGuardia airport in Queens. Recalde noticed there were fewer drivers than usual at LaGuardia, perhaps lured to the tennis stadium nearby hoping for a big fare to New Jersey or Connecticut. Recalde figured he could get unlocked by going to the airport, which Lyft was telling him at that time was getting 200 rides an hour.

"Unless I go to the airport to drop somebody off, I almost never go to the airport," Recalde told Bloomberg over the phone while waiting in the LaGuardia holding lot for rideshare drivers. "The only reason I'm here is because they are blocking me." He finally got unlocked an hour later. The fare was a short ride that paid him \$10.

Some drivers were so afraid of getting locked out, and had so little insight into how to get back online, that they went to extreme measures to stay connected. Komolafe, the Lyft driver, regularly forgoes bathroom, food and rest breaks if he's getting rides, he said. He also works beyond the legally mandated 12-hour shifts, despite taking no rest breaks, to make up for lost wages from when he was locked out. Toward the end of a 13-hour day without breaks, Komolafe texted a Bloomberg reporter, "my body aches."

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The companies frame the lockouts as something they're doing reluctantly, and fighting against. In a [June 25 letter](#) to TLC that Bloomberg obtained through a public records request, Lyft acknowledged that ride demand has declined and driver supply has remained unexpectedly high despite having halted new driver onboarding last year. "We know drivers dislike this and we don't like it either as it is very disruptive to drivers," Chief Policy Officer Jeremy Bird wrote in the letter. "No product manager at Lyft wants to build a product that makes driving more challenging and none of our employees want to see upset drivers protesting the company."

But TLC regulations do not force the companies to do lockouts. Uber and Lyft adopted the practice in order to save millions on future driver wages, Bloomberg's analysis found.

Without the lockouts, the rideshare companies would likely have to pay tens or even hundreds of millions of dollars more when TLC resets the citywide utilization rate early next year. If drivers hypothetically had the [same exact rides](#) as they did in the first half of 2024, even a one-percentage point drop in the rate would mean that Uber's minimum payment over a six-month period would go up by around \$29 million, according to Bloomberg's calculations. Lyft would be on the hook for about \$10 million more. While no one can predict what future rider demand will look like, this much is clear: A lower rate is more expensive for the companies.

And the rate has been on track to drop further than that. If it falls five percentage points to 53% – which is [where it stood as of July](#) – Uber would have to increase minimum payments to drivers by around \$154 million (again, using 2024 trip data as a jumping-off point). Lyft would have to pay about \$53 million more.

Uber and Lyft say Bloomberg's financial model is too simplistic because it doesn't take into account that if they pass on higher prices to riders, that will scare some customers away, leading to lower demand.

"This analysis doesn't fully reflect how our industry works," Lyft's CJ Macklin said. "The rideshare marketplace is two-sided: It needs both riders and drivers. If there are too few of one, everyone loses."

"Left uncontrolled, the cycle would inevitably be increased fares, reduced demand, lower utilization, increased fares, reduced demand, lower utilization," Uber's Josh Gold said in a similar statement.

Uber would like for TLC to "ditch this outdated approach," Gold said, "and instead work with all stakeholders on a solution that isn't designed to force companies to deprive existing drivers of the flexibility to work where and when they want." He added that the economists have not recommended a utilization rate model for Minnesota's new minimum-pay formula for drivers.

Lyft would also like for New York City to drop the utilization rate, but has suggested that if the city is going to use that metric, Lyft would be even worse off with separate company-specific benchmarks. If Uber had its own rate, Lyft argues, Uber would be able to lock in a lower minimum-pay rate, charge riders lower prices and ultimately force Lyft out of the New York City market, securing an effective monopoly. (Uber's market share in the city is already three times as large as Lyft's.)

In the meantime, the rideshare companies and city officials have called a truce, which drivers are not a part of. Following two months of lockouts, punctuated by multiple driver protests, Uber, Lyft, the mayor's office and TLC agreed in July for Uber to end lockouts in September as long as Lyft did its part in keeping its efficiency rate up. Bloomberg did not receive any screenshots of Uber lockouts after Sept. 3. The company said in an Aug. 28 email to drivers that it may bring lockouts back at any time "if Lyft's performance does not improve."



Uber and Lyft drivers protested the rideshare companies' practice of lockouts at a rally in New York on Sept. 4. Photographer: Yuki Iwamura/Bloomberg

In its June letter to TLC, Lyft pledged to “use all the tools available,” including lockouts, to keep its driver efficiency rate above 50% through the rest of this year.

Legal representatives for the New York Taxi Workers Alliance, which represents more than 28,000 drivers, allege that the private agreement between the mayor, TLC and Uber and Lyft have allowed the companies to exploit a duopoly and engage in collusion. They said TLC and the mayor have permitted the companies to engage in the private agreement “right under their noses to restrain competition in order to set and suppress minimum wage rights.”

In an emailed response to Bloomberg, TLC commissioner David Do called the lockouts “harmful,” saying the “multi-billion-dollar companies intentionally exploited loopholes in our minimum pay rules to avoid paying hardworking drivers more.” The firms “recklessly onboarded hundreds of new drivers, then cut tens of thousands of drivers off to juice their utilization rates and keep driver pay low,” he added. “This defies the intention of our rules and the underlying local law, so we will amend and tighten those rules,” he added.

Do said in a Sept. 27 public testimony at the city council that his agency intends to announce rules by the end of the year that would limit new driver onboarding as a way of deterring future lockouts. “Drivers are more than what Uber and Lyft refer to as ‘supply’: they are human beings who deserve the protections our city intended,” he said.

The urgency in resolving the human toll of the lockouts has also prompted New York City Comptroller Brad Lander, a former city councilor who sponsored the minimum-wage bill when it was introduced in 2018, to seek data from TLC to understand the scope and impact of the lockouts. In a Sept. 30 letter that Bloomberg obtained through a public records request, Lander, whose current responsibilities include ensuring transparency and accountability in setting and enforcing wage laws, asked for individualized trip statistics collected from the rideshare companies and driver income data for June to August. TLC “must use accurate data to recalibrate driver pay rates if the current system is found to be flawed,” he wrote.

“There are serious concerns that Uber and Lyft may be using driver lockouts to artificially inflate utilization rates ahead of the 2024 average utilization rate review, which would impact their compliance with the city’s minimum pay requirements for drivers,” Lander continued. “If true, this practice could have significant implications for the livelihoods of drivers who rely on these platforms to support their families.” He has given TLC 30 days to respond to his request.

Federal officials have also begun to take notice. On Monday, FTC commissioner Alvaro Bedoya attended a listening session with Uber and Lyft drivers in New York, where he said “these are very serious allegations” that the commission wants to better understand. “Sometimes you read something on paper, it seems one way and then when you have someone explain it to you, you understand this is a way to just force people to continue driving and not take a break, not eat a meal, not go to the bathroom,” he said.

A spokesperson for the Federal Trade Commission declined to comment on whether TLC's agreement with the rideshare companies is in violation of antitrust laws, and said the agency does not comment on or confirm the existence of investigations. Bedoya, too, said on Monday that his remarks do not necessarily mean the FTC will launch a probe.

"What I can do is promise you that I'm going to take what you're telling me very seriously," Bedoya said. "I hear what you're saying, the investments that you've made, financial investments you've planned your lives, your families' lives around these opportunities that were promised to you."

But drivers can't afford to wait for regulators to intervene. A number of them told Bloomberg that they have begun looking for other work during the lockouts to supplement their income, including in construction as well as driving for traditional car fleets. Ginsberg recently started his own phone case business.

"I have been a hard worker as it wasn't a choice but a means of survival," Ginsberg said. "I prefer to be fired than strung along."

This story includes discussion of suicide. If you or someone you know needs help, the national suicide and crisis lifeline in the U.S. is available by calling or texting 988. There is also an online chat at 988lifeline.org.

(Updates with explanation in 13th paragraph on how a future change in utilization rate would affect Uber and Lyft.)

Methodology

Bloomberg News crowdsourced screenshots of lockouts from drivers, collected surge pricing data, and ran financial models to report on how Uber and Lyft's lockouts are having an impact on drivers in New York City.

Crowdsourcing Screenshots of Lockouts

Because Uber and Lyft don't make lockout statistics publicly available, Bloomberg crowdsourced data from drivers. Our methodology was inspired by previous reporting on [Uber and Lyft fares](#), and an [SMS chatbot](#) created by MIT researchers to study a pay model for Target's gig workers.

Bloomberg News built a WhatsApp tipline to crowdsource 7,307 screenshots from 896 Uber and Lyft drivers between Aug. 14 and Sept. 8, 2024. To recruit drivers, reporters shared the WhatsApp tipline with workers' groups, posted in web forums and social media groups, and distributed flyers to drivers directly.

A team of six reporters reviewed each screenshot to verify evidence of a lockout. Drivers are notified they are not “online” by the two rideshare apps. Reporters manually recorded the time on each screenshot, as well as location markers that showed a driver's position on a map. Screenshots were discarded if we could not confirm the time or date (based on the time on the screenshot compared to when it was submitted).

This process yielded 5,391 screenshots from 822 drivers that Bloomberg News confirmed were of lockouts, including 3,730 screenshots with location details. Additionally, the tipline gave drivers the option to speak with a reporter, with 118 drivers opting to participate in an interview.

Limitations: We do not have a representative sample and are unable to know how many drivers were locked out. Among drivers who participated, we do not have the complete picture of lockouts for each person.

Collecting Surge Data

To collect data on surge pricing, Bloomberg News designated a fixed set of 83 randomly selected addresses in Manhattan, Brooklyn, Queens and the Bronx. This number was chosen to maximize coverage throughout the city, while minimizing the burden of data collection.

From these addresses, Bloomberg News collected “UberX” and “Lyft Standard” rates every 10 minutes from Obj, a pricing aggregator that compares trip prices across rideshare providers and taxis.

Uber and Lyft fares both include a “surge multiplier” that discloses higher-than-average prices to users when the multiplier is greater than 1.

We joined the 3,730 driver screenshots with location to the data on surge prices, to determine whether a surge zone was present nearby, within 10 minutes before or after a driver reported being locked out.

Limitations: We cannot claim a causal relationship between lockouts and surge pricing. However, lockouts by definition reduce driver supply.

Where Bloomberg monitored surge pricing

Any given point in New York City is 0.6 miles from the nearest surge-monitoring address.



Estimating Costs For Rideshare Companies

To estimate the potential costs for Uber and Lyft if the set utilization rate changes, we analyzed the city's pay formula for drivers using historical trip data. The formula to calculate minimum pay depends on the minutes and distance of each trip — which Uber and Lyft report monthly to TLC — as well as the utilization rate, or the percentage of time that drivers spend with passengers. The utilization rate is set every January for the year, based on the combined annual utilization rates for Uber and Lyft.

We used the minimum pay formula to calculate pay under various hypothetical utilization rates, assuming trip times and distances were the same as they were in the first half of 2024. We used utilization rates between Lyft's lowest monthly rate (45%) and Uber's highest monthly rate (61%) of this year.

Limitations: The pay formula does not dictate the actual pay a driver will earn and does not factor in tips, surge pricing or other incentives.

Acknowledgements

We thank Dana Calacci (Pennsylvania State University), Christo Wilson (Northeastern University), Michael Reich (University of California Berkeley) and James A. Parrott (The New School) for comments on an earlier draft of our methodology. Dr. Wilson has researched Uber surge pricing, and Dr. Calacci researches algorithms and labor in the gig economy. Dr. Reich and Dr. Parrott are economists who designed the pay model used in New York City.

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