The Gig is Up

An Overview of New York City's App-based Gig Workforce during COVID-19

Community Service Society | Fighting Poverty Strengthening New York

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Executive Summary

The coronavirus pandemic in the United States has exposed the gaping holes in the safety net for those in the nontraditional workforce, particularly on-demand, app-based gig workers such as DoorDash food delivery cyclists, Instacart shoppers and Uber drivers. These workers are at the frontlines of the pandemic, putting their own health and the health of their families at risk so that they can drive hospital employees to work and provide New Yorkers with necessities like hot meals and groceries. Yet, because they are classified as independent contractors, these workers continue to be excluded from critical job protections and full benefits provided to employees in conventional work arrangements. These include job-protected paid sick leave and traditional unemployment insurance[1], the guaranteed right to a workplace free from health and safety hazards, and access to employer-provided health care if they contract the virus.

Even before the pandemic, the Community Service Society of New York was concerned that recently enacted progressive labor standards like statewide paid family leave and the expansion of paid sick days in New York City were leaving out a sizable swath of the low-income workforce. There has been limited government data available on the size and significance of the gig economy locally and nationally, as well as the demographics of this workforce and the challenges they face. Further complicating the absence of data is that there is no official, standardized definition of gig work.[2]

As part of our annual 2020 Unheard Third survey of New York City residents, we asked respondents whether they earned money on jobs secured through an app-based system.[3] This brief seeks to fill in the gaps in what we know about the New York City's app-based gig workforce and those in other nontraditional work arrangements, highlight the impact of the coronavirus on the app-based gig workforce, and provide an overview of recommendations at the city, state, and federal levels to address the dearth of labor protections for app-based gig workers.

For the purpose of our analysis, we have classified all employed individuals into the following three categories:

(1) Regular employees are defined as individuals in traditional work arrangements.

(2) App-based gig workers are defined as individuals who received earnings on jobs secured through an online platform within the past year.

(3) Other self-employed workers defined as individuals who are working for themselves as independent contractors or are owners of their businesses.

Impact of the pandemic and related recession on app-based gig workers

- Nearly 40 percent of app-based gig workers reported that they or a family member were infected with the coronavirus, compared to 26 percent of employees and 21 percent of other self-employed workers.
- App-based gig workers are experiencing widespread financial insecurity and hardship—55 percent said that they experienced three or more hardships since the start of the pandemic, more than double the share reported by regular employees.
- Housing insecurity has become more widespread among the app-based gig workforce since the start of the pandemic: App-based gig workers were about three times more likely than regular employees to experience a housing hardship such as falling behind on their rent or mortgage, experiencing a utility shut-off due to nonpayment, or being threatened with eviction or foreclosure.
- Nearly half of app-based gig workers struggled to fill a necessary prescription, lacked healthcare coverage, or delayed medical care, more than double the share of regular employees who reported experiencing at least one of these health hardships since the start of the pandemic.

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Composition of the app-based gig workforce

- App-based gig workers account for a much larger share of the New York City workforce than previously reported estimates by other government and private-sector surveys and polls, especially among low-income workers : 20 percent of employed New Yorkers we surveyed said that they engaged in app-based gig work in the past year, including nearly a quarter (23 percent) of low-income workers.[4]
- Nearly 6 out of every 10 New Yorkers who engage in the app-based gig economy are reliant on this type of work as their main source of income.
- Participation in the app-based gig economy is highest among young adults, Latina/o/x New Yorkers and men:
    - 35 percent of employed 18–34-year-olds earned money in the past year through on-demand jobs facilitated through digital platforms, more than double the share of workers aged 35 and over.
    - 27 percent of Latina/o/x workers participated in app-based gig work over the past year, compared to 18 percent of white workers.
    - Men were twice as likely as women to engage in app-based gig work, with participation highest among fathers (45 percent).

Economic profile of app-based gig workers

- Most New Yorkers choose app-based gig work because they face challenges with finding employment with stable hours and benefits, not necessarily because they prefer gig work: 57 percent of app-based gig workers said that they preferred to have an employer who sets their schedule and provides benefits.
- In contrast to regular employees, app-based gig workers are much more likely to report lacking critical workplace benefits such as health coverage: only 45 percent of app-based gig workers said that they received health insurance from their employer, compared to 72 percent of employees.
- Public benefits usage is more common among app-based gig workers than among regular employees in traditional work arrangements: 40 percent of app-based gig workers reported receipt of SNAP (food stamp) benefits and 31 percent said that they received public assistance such as cash assistance, welfare or TANF funds.

Overview of recommendations to address the dearth of labor protections for gig workers

- Reclassify app-based gig workers as employees using one simplified, universal labor standard—the ABC test—to determine whether a worker is an employee or independent contractor. This would be the best way to improve the economic security of app-based gig workers and help address the broader problem of the misclassification of low-wage workers.
- Expand existing paid sick leave and paid family leave programs to automatically cover gig workers and independent contractors.
- Use a portable benefits model to provide paid sick time, health insurance, and other benefits.
- Create gig worker cooperatives.

App-based gig work has a relatively low barrier to entry and the promise of flexible schedules attracts many people, especially young adults, Latina/o/x New Yorkers, and parents. Yet, this segment of our city's workforce is not benefitting from labor standards that have been put in place to protect workers. Without these rights and protections, New Yorkers engaged in app-based gig work are more likely than workers in conventional employment and other nonstandard work arrangements to lack important workplace benefits, rely on public benefit programs, and experience material hardships. The pandemic has only exacerbated the financial insecurity that these workers face. States and advocates have put forward a slew of promising ideas that offer different routes toward achieving the same goal: extending basic labor protections and benefits to gig workers. Now we should focus on giving these proposals serious consideration.

Introduction

A comprehensive understanding of the app-based gig economy in New York City and the impact of COVID-19 on the app-based gig workforce is critical to alleviating the hardships these workers face. In discussions about the gig economy, worker classification is a critical issue that needs to be addressed —who counts as a gig worker? New York state currently lacks a uniform standard across different agencies for determining whether a worker is an employee or an independent contractor, which makes it more difficult for the state to address problems related to worker misclassification. Related to the classification question is the size of the gig economy. Different classification standards lead to unreliable estimates about the share of the gig workforce and consequently, who would be affected by future policies. Developing a better understanding of who makes up the app-based gig workforce and streamlining the way in which the state classifies gig workers would help policymakers and advocates more effectively address the needs and challenges that this workforce faces.

Classifying gig workers as employees vs. independent contractors

With the rise of the app-based gig economy, there are growing concerns that app-based companies such as Uber, Lyft and DoorDash are exploiting workers by treating them as employees but classifying them as independent contractors in order to avoid the costs of providing standard employee benefits and protections. Categorizing their workers as independent contractors also enable these companies to avoid paying payroll taxes that fund state and federal unemployment insurance programs. One recent estimate from the UC Berkeley Labor Center found that the intentional misclassification of gig workers has allowed Uber and Lyft to avoid paying $413 million in state unemployment benefits.[5] These concerns set off a wave of efforts to reclassify app-based gig workers as employees in California, Washington state[6], Massachusetts[7], Illinois, New Jersey, and in New York.[8]

California serves as a grim reminder that app-based companies will invest significant resources to fight these worker reclassification efforts. In September 2019, the California legislature approved a landmark bill, Assembly Bill 5 ("AB5"), which went into effect at the beginning of 2020 and required app-based companies like Uber and Lyft to use the "ABC test" to reclassify their drivers as employees rather than as independent contractors and provide them with full workplace benefits.[9] However, Uber and Lyft refused to comply with the new law, and spent $200 million to win a pivotal vote in favor of Proposition 22, a ballot referendum that exempts these companies from AB5 and would keep their drivers as independent contractors ineligible to receive important benefits and protections such as paid sick leave, overtime and unemployment insurance. While the ballot measure also granted gig workers health care subsidies and a minimum pay rate, this falls far short of the full suite of employment benefits they would have had under AB5. Riding the success of the Proposition 22 campaign, Lyft is now attempting to ward off gig worker reclassification efforts in Illinois, where the state legislature is currently considering laws that are similar to California's AB5.[10]

the intentional misclassification of gig workers has allowed Uber and Lyft to avoid paying $413 million in state unemployment benefits in the state of California alone

In another setback for app-based gig workers, the U.S. Department of Labor announced a final rule in early January that would narrow the broad definition of "employee" in the Fair Labor Standards Act and make it easier for businesses to classify workers as independent contractors instead of as employees.[11] The Economic Policy Institute estimates that this change would lead to workers losing at least $3.3 billion every year in the form of reduced pay and benefits.[12] However, the Biden administration has the regulation.[13] President Biden's FY 2022 budget also increases funding for the US Department of Labor to enforce the rights of gig workers by addressing the misclassification of employees as independent contractors.[14] US Labor Secretary, Marty Walsh, has also indicated that the Department of Labor is actively considering the question of classification of gig workers as employees.[15] Furthermore, at the federal level, the House recently passed the Protecting the Right to Organize (PRO) Act, which uses the ABC test to expand access to federal bargaining protections to millions of additional workers, including app-based gig workers.[16]

What is the "ABC test?"

The ABC test is a three-part rule for worker classification that an employer is required to use for determining whether a worker is an independent contractor or an employee. The employer must show that the worker meets all three of the following requirements for classification as an independent contractor:

A. The worker is free from the control and direction of the hiring entity in connection with the performance of the work, both under the contract for the performance of the work and in fact.

B. The worker performs work that is outside the usual course of the hiring entity's business.

C. The worker is in business for himself or herself.

State of gig worker classification in New York

New York state currently lacks a uniform standard across different agencies for determining whether a worker is an employee or an independent contractor, which makes it difficult for the state to address problems related to worker misclassification. State courts and administrative agencies apply various versions of the complex "common law test[17] to determine employee status for the purposes of evaluating claims filed for unemployment insurance, workers' compensation and other wage and hour violations. Meanwhile, under the state's 2010 Fair Play statutes, the ABC test is used to determine employee status for workers in the construction and trucking industrial sectors, but this standard is not applied to other industries[18]. Table 1 highlights the disparities in benefits and workplace protections between employees and all independent contractors (comprising of app-based gig workers or other self-employed individuals) in New York City.

In recent years, app-based drivers have secured some key wins in their fight for more workplace protections. In 2018, the New York City Taxi and Limousine Commission adopted a minimum wage of $17.22 per hour for drivers for ride-hailing apps like Uber and Lyft. That same year, New York's unemployment insurance appeal board ruled that three Uber drivers were eligible for unemployment benefits because they were employees and not independent contractors. In July 2020, a federal judge ruled that New York state must immediately begin paying Uber and Lyft drivers state unemployment benefits even if they are not classified as full-time employees of the app companies.[19] In another victory for app-based gig workers, the state's highest court ruled in March 2020 that workers for the food delivery app Postmates and other "similarly situated" workers are employees, for whom Postmates must contribute to the state's unemployment fund.[20]

Table 1: Disparities between regular employees and independent contractors in New York

		EMPLOYEES IN NEW YORK	APP-BASED GIG WORKER OR OTHER SELF-EMPLOYED WORKERS
LEGAL PROTECTIONS	Minimum wage	Eligible[1]	Ineligible[2]
	Right to a workplace free from health and safety hazards under the Occupational Safety and Health (OSH) Act of 1970.	Eligible	Ineligible
	Protections from discrimination, harassment, and retaliation under the Employment Non-Discrimination Act	Eligible	Ineligible
	Overtime pay for hours above 40 per week	Eligible[3]	Ineligible
	Right to join a union that must be recognized by employers (through National Labor Relations Act)	Eligible	Ineligible
BENEFITS	Payroll taxes- Social Security and Medicare contributions	Splits cost with employer	Pays full
	Workers' Compensation Insurance	Eligible	Ineligible[4]
	State Unemployment Insurance	Eligible	Ineligible[5]
	Federal Family and Medical Leave	Eligible[6]	Ineligible
	New York State Paid Family Leave	Eligible	Eligible if worker opts in[7]
	NY State Paid Sick Leave	Eligible	Ineligible
	NY State Emergency COVID-19-Paid Sick Leave	Eligible	Ineligible
	New York City Paid Sick Leave	Eligible	Ineligible
TAXES AND EXPENSES	Tax withholdings	Yes	No[8]
	Out-of-pocket expense reimbursement	Yes	No

Notes:

1) Minimum wage is currently $15 for all regular employees except tipped hospitality workers, including hotel and restaurant workers in non-fast-food businesses.
2) Since January 2019, drivers of ride-hailing apps in New York City have been guaranteed a minimum wage of $17.25 after deducting expenses.
3) Overtime pay rules do not apply to some professional employees who are exempt because of their rate of pay and type of work that they do.
4) In New York State, for-hire drivers can access workers' compensation and a driver death benefit through the Black Car Fund.
5) In July 2020, a federal judge ruled that New York state must immediately begin paying Uber and Lyft drivers state unemployment benefits. This comes on the heels of a 2018 ruling by a NY state labor review board that determined that three former Uber drivers, and all "similarly situated" drivers were employees for the purposes of unemployment insurance.
6) Federal unpaid family and medical leave provisions are available to employees working for employers with at least 50 employees.
7) Workers need to opt in to both paid family leave and disability insurance compensation.
8) Workers are responsible for making estimated quarterly payments to the IRS.

Yet, outside of these industry-specific rulings, New York lawmakers have struggled to find a more comprehensive solution to expanding job protections for gig workers. In 2019, State lawmakers like Senator Diane Savino and former Assemblymember Marcos Crespo were exploring alternate pathways to giving gig workers more protections without reclassification.[21] Later that year, Senator Robert Jackson and Assemblymember Deborah Glick introduced legislation (S6699A/A08721A) that was similar to California's new law and would reclassify more gig workers as employees using the ABC test.[22] In recognition of the growing momentum around demand for gig workers' rights, Governor Cuomo proposed in his FY 2020-21 executive budget the creation of a state task force that would develop recommendations for classifying gig workers in New York and for providing them with more labor protections.[23] However, the onset of the pandemic in March 2020 stalled these efforts.[24]

employed young New Yorkers were three times more likely than those aged 35 and over to depend on app-based gig work

Given the approval of Proposition 22 on November 3, 2020, coalitions opposed to classifying gig workers as regular employees are forming and will likely impact negotiations around gig worker legislation in New York during the current legislative session.[25] For instance, New York State Senator Diane Savino, with support from the Uber-funded Independent Drivers Guild, [26] was planning to propose legislation–with less than two weeks left in the 2021 legislative session – that claimed to provide collective bargaining rights to drivers of app-based ride-sharing companies and delivery workers, but deliberately stopped short of recognizing them as employees and preemptively eliminated their access to a wide array of workplace protections and essential rights.[27] The legislation was vehemently opposed by several unions and labor advocacy groups, including the National Employment Law Project, New York Taxi Workers Alliance, Service Employees International Union (SEIU) 32BJ, and the New York Civil Liberties Union, among others.[28] See textbox on key legislative initiatives in the concluding section of this brief for more details. Finally, New York Assembly member Jenifer Rajkumar proposed legislation in May 2021 that aims to classify workers of app-based ride-share companies as employees per the ABC test.[29]

Size of the gig economy – not easy to determine

Estimates of the size of the gig workforce vary considerably depending upon the definition used. While some estimates include all workers engaged in some form of non-standard work, others might count only those who rely on such work for their primary earnings or only count work arranged through online platforms. Nationally, estimates of the broader gig economy (including both offline and online activities) vary depending on the definition and data source used, but are generally in the range of 10 percent of the U.S. workforce at the low end (U.S. Bureau of Labor Statistics) to 36 percent at the upper end (Gallup) (See Appendix). For New York City, we found that in 2019 gig workers comprised only six percent of the New York City employed adults, according to the Census Bureau's American Community Survey, where we compiled data based on those who declared themselves as self-employed, unincorporated or, independent contractors.

When applying an even narrower definition of the gig economy to only include online platform work mediated by a third party, estimates of the gig economy are even smaller, generally in the range of 1 to 10 percent of the workforce (See Appendix). Using two Census Bureau datasets—the American Community Survey and the Non-Employer Statistics (NES) series based on IRS tax records— researchers from The New School's Center for New York City Affairs found that app-based independent contractors represented just 1.6 percent (equivalent to 150,000 people) of New York state's overall workforce.

Survey Methodology

The Unheard Third is a scientific telephone survey of New York City residents. It is designed by Community Service Society in collaboration with Lake Research Partners, who administer it using Random Digit Dialing and professional interviewers. The data were weighted slightly by income level, gender, region, age, party identification, education, immigration status, and race in order to ensure that it accurately reflects the demographic configuration of these populations. This report uses data from the Unheard Third Surveys for the years 2019 and 2020.

In 2019, the survey was conducted from June 18th to July 20th, 2019 and reached a total of 1,829 New York City residents, age 18 or older, divided into two samples:

- 1,089 low-income residents (up to 200% of federal poverty standards, or FPL) comprise the first sample:
  - 580 poor respondents, from households earning at or below 100% FPL (68.3% conducted by cell phone)
  - 509 near-poor respondents, from households earning 101% - 200% FPL (66.6% conducted by cell phone)
- 740 moderate- and higher-income residents (above 200% FPL) comprise the second sample:
  - 518 moderate-income respondents, from households earning 201% - 400% FPL (60.4% conducted by cell phone)
  - 222 higher-income respondents, from households earning above 400% FPL (45.9% conducted by cell phone)

Interviews were conducted in English (1,661), Spanish (138), and Chinese (30). The margin of error for the entire survey is +/- 2.29%, for the low-income component is +/- 2.97%, and for the higher income component is +/- 3.6%, all at the 95% confidence interval.

In 2020, the survey was conducted from July 7th through August 4th, 2020 and reached a total of 1,632 New York City residents, age 18 or older, divided into two samples:

- 1,002 low-income residents (up to 200% of federal poverty standards, or FPL) comprise the first sample:
  - 512 poor respondents, from households earning at or below 100% FPL (68.0% conducted by cell phone)
  - 490 near-poor respondents, from households earning 101% - 200% FPL (65.7% conducted by cell phone)
- 630 moderate- and higher-income residents (above 200% FPL) comprise the second sample:
  - 430 moderate-income respondents, from households earning 201% - 400% FPL (52.6% conducted by cell phone)
  - 200 higher-income respondents, from households earning above 400% FPL (50.0% conducted by cell phone)

Interviews were conducted in English (1,475), Spanish (90), and Chinese (67). The margin of error for the entire survey is +/- 2.42%, for the low-income component is +/- 3.09%, and for the higher income component is +/- 3.9%, all at the 95% confidence interval.


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Key Findings

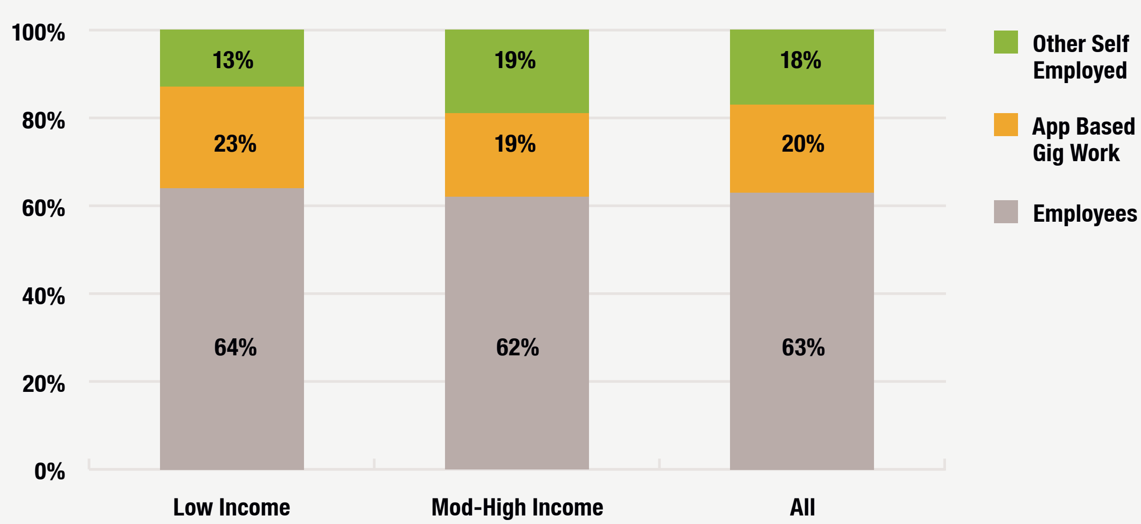
Data from our Unheard Third survey show that app-based gig workers account for a much larger share of the New York City workforce than previously reported estimates by other government and private-sector surveys and polls, especially among low-income workers.

In our 2019 and 2020 surveys, we asked respondents the following question, modeled after a similar question asked by Pew Research Center in 2016:

> *"Some people find paid jobs or tasks by connecting directly with people who want to hire them using a particular type of website or mobile app. These sites require workers to create a user profile in order to find and accept assignments, and they also coordinate payment once the work is complete. In the last year, have you earned money by taking on jobs through this type of website or mobile app (for example, by driving someone from one place to another, cleaning someone's home, or doing online tasks)?"*

In 2020, 20 percent of employed[30] New Yorkers we surveyed said that they engaged in app-based gig work in the past year, with low-income New Yorkers slightly more likely than those with moderate to high incomes to participate in the app-based gig economy. We define "employees" as those who did not report engaging in app-based gig work over the past year and did not identify as self-employed, (either as an independent contractor or business owner).[31] Figure 1 shows the distribution of workers across income groups.

Figure 1: Share of employed respondents by income categories



SOURCE: CSS 2020 UNHEARD THIRD SURVEY

Our estimate of New York City's app-based gig workforce is well above other national and local estimates based on surveys conducted by both government agencies (e.g., the Census Bureau) and private sector firms. Our estimates are likely higher because government agencies' estimates of the gig workforce are based on "an outdated definition of what constitutes paid work and misleading assumptions about work schedules[32]." For example, government surveys, such as those from the Bureau of Labor Statistics and the Census Bureau, primarily ask about respondents' main jobs, but do not factor in those who have more than one job or do gig work to supplement income from a main job. Furthermore, government surveys ask only about work in a specific reference week, which may not capture independent contractors with schedules that vary from week to week. See Appendix for more details.

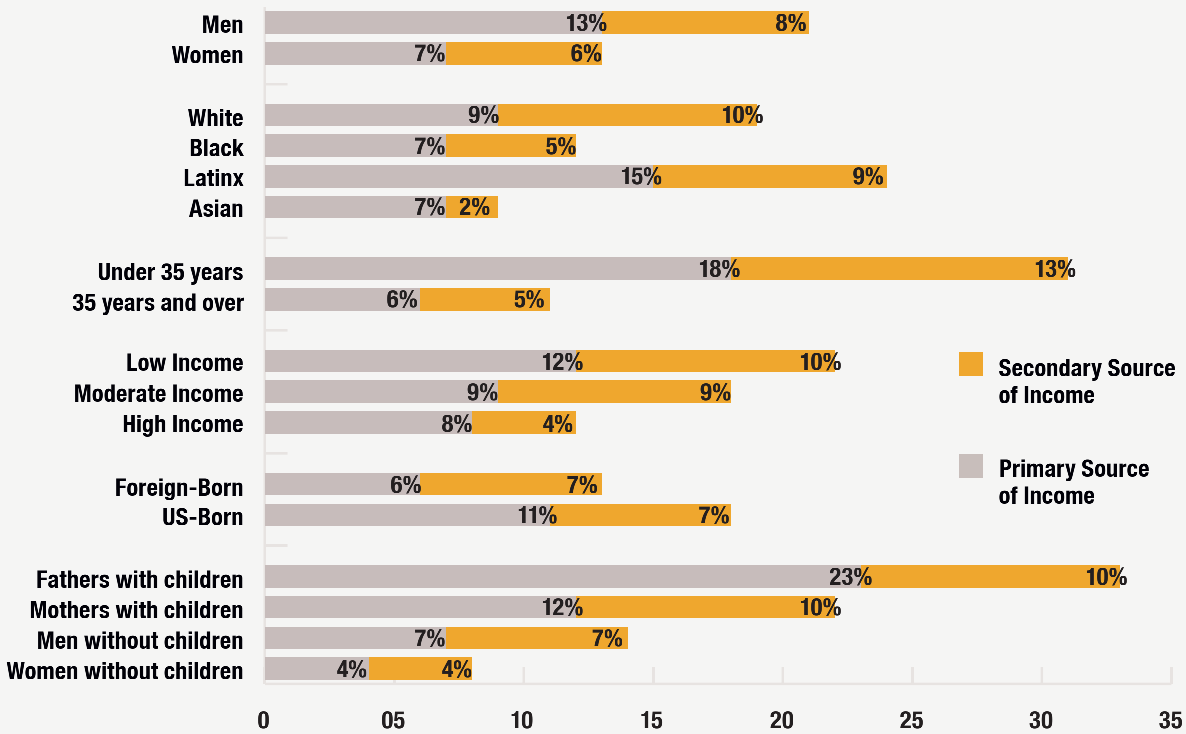
App-based gig work is not just a "side hustle" for New Yorkers—most are reliant on it as their main source of income, especially young adults, and parents.

Gig work is often viewed as a "side hustle," or a flexible way to supplement income earned from a conventional job. Recent research conducted by the Internal Revenue Service (IRS) and other collaborators found that the growth in gig work was driven by those with traditional jobs who supplement their income with platform-mediated work.[33] A 2019 Federal Reserve study found that work in the gig economy was the main source of income for only 18 percent of all gig workers.[34] However, according to our 2019 Unheard Third survey,[35] we found that most New Yorkers participating in the app-based gig economy are dependent on this work as a primary source of income. Fifty-six (56) percent of New Yorkers engaged in app-based gig work said that they did so to earn money as their primary source of income. Among those who said they were dependent on app-based gig work, 72 percent were working full time.

Figure 2 shows the share of workers who reported gig engagement as their primary or secondary source of income by various socio-economic and demographic categories. Employed young New Yorkers were three times more likely than those aged 35 and over to depend on app-based gig work; 18 percent of working New Yorkers aged 18 to 34 said that they did this type of work as their main source of income in the past year, compared to just 6 percent of those aged 35 and older.

In the same survey from 2019, nearly two-thirds of parents (64 percent) who engaged in app-based gig work said that it was their primary source of income. Figure 2 shows that fathers were especially reliant on app-based gig work as their main source of income: roughly a quarter (23 percent) of employed respondents identifying as fathers said that this type of work is their main source of income, about double the share of working mothers (12 percent) and six times higher than the share of men without children. The relatively high share of parents who participate in the app-based gig economy and are dependent on this income for their livelihood, highlights the necessity of providing these workers with protections and benefits afforded to employees such as paid family leave, paid sick time and unemployment insurance.

Figure 2: Share of employed respondents who said app-based gig work was their primary or secondary source of income.

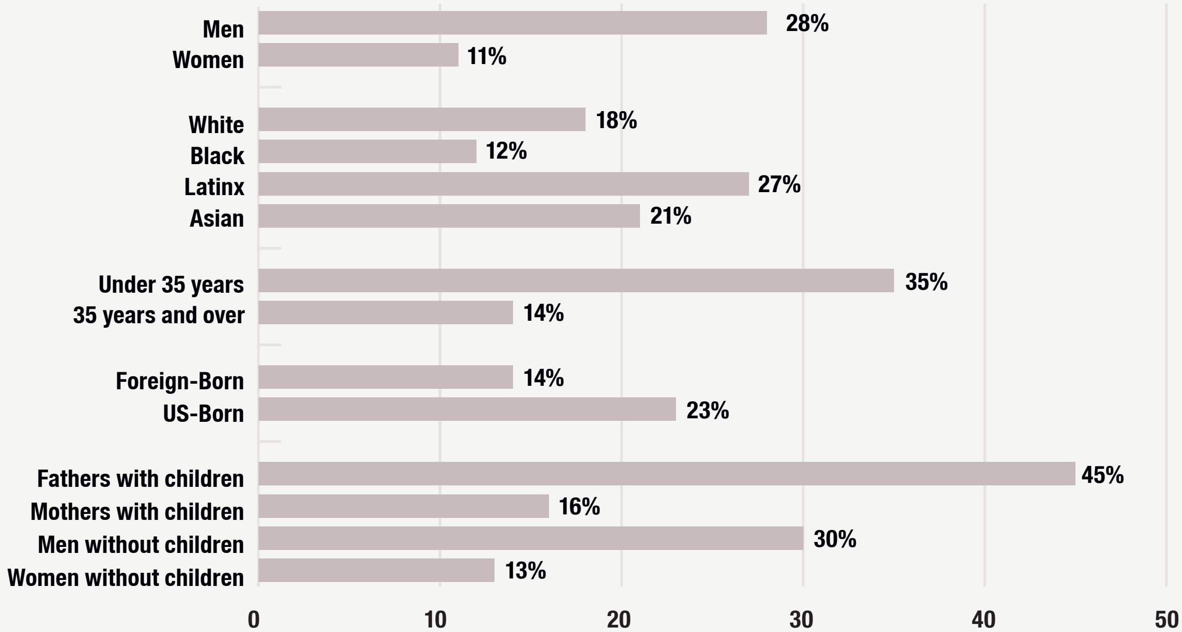


SOURCE: CSS 2019 UNHEARD THIRD SURVEY DATA.

Younger New Yorkers, Latinx adults and men are more likely to engage in New York City's app-based gig economy.

Figure 3 shows the share of employed respondents who participated in app-based gig work by various socio-economic categories. Thirty-five percent of employed younger adults aged 18 to 34 said that they earned money in the past year through on-demand jobs facilitated through digital platforms, more than double the share of workers aged 35 and over (14 percent) who said they did. App-based workers may skew younger given the digital literacy and tech savvy involved in navigating these apps. Twenty-eight percent of working men said that they earned money through app-based gig work in the past year, more than twice the share of employed women (11 percent). Engagement in the app-based gig economy is particularly high among fathers, with 45 percent reporting that they performed this type of work in the past year, as well as among men without children (30 percent). Furthermore, 27 percent of Latinx workers reported earning money through app-based gig work in the past year, compared to 12 percent of Black and 18 percent of white workers.

Figure 3: Share of employed respondents who participated in app-based gig work by various socio-economic categories



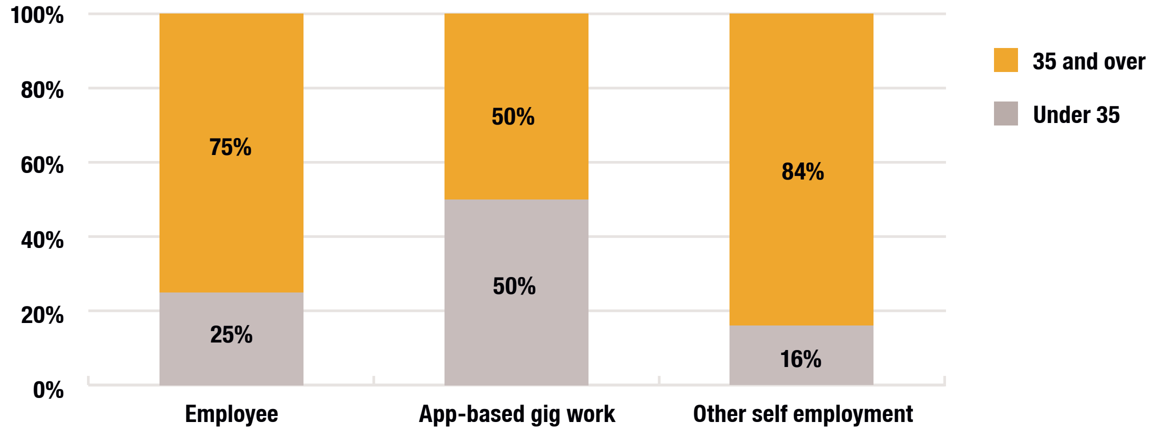
SOURCE: CSS 2020 UNHEARD THIRD SURVEY DATA

App-based gig workers are more likely than other self-employed workers and regular employees to be younger, be Latina/o/x, and to have young children at home.

Figure 4, panels (a) through (c) show the composition of gig workers (as well as regular employees and self-employed individuals) by age, race/ethnicity and by their parental status. Half of app-based gig workers are under the age of 35, compared to only a quarter of employees and an even smaller share of other self- employed workers, as shown in Figure 4, panel (a). Latina/o/x workers make up nearly 40 percent of app-based gig workers, compared to 29 percent of employees and just 18 percent of other self-employed workers/independent contractors, as shown in Figure 4, panel (b). White workers made up nearly a third of those engaged in app-based gig work, and the largest share (49 percent) of those with other types of self-employment.[36]

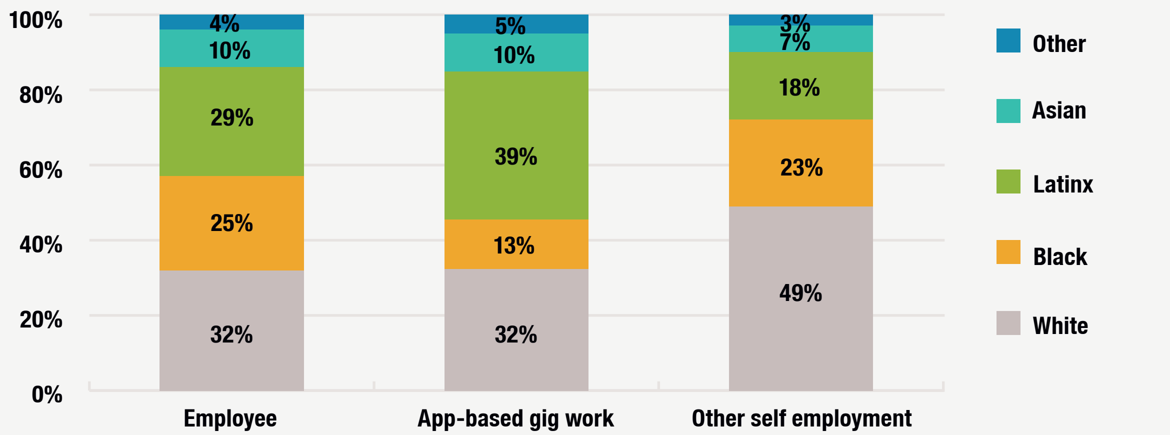
Figure 4, panel (c) shows that fathers make up the greatest share of app-based gig workers (45 percent) but only 12 percent of employees and 18 percent of other self-employed workers. [37]

Figure 4, panel (a): Age composition by employment type



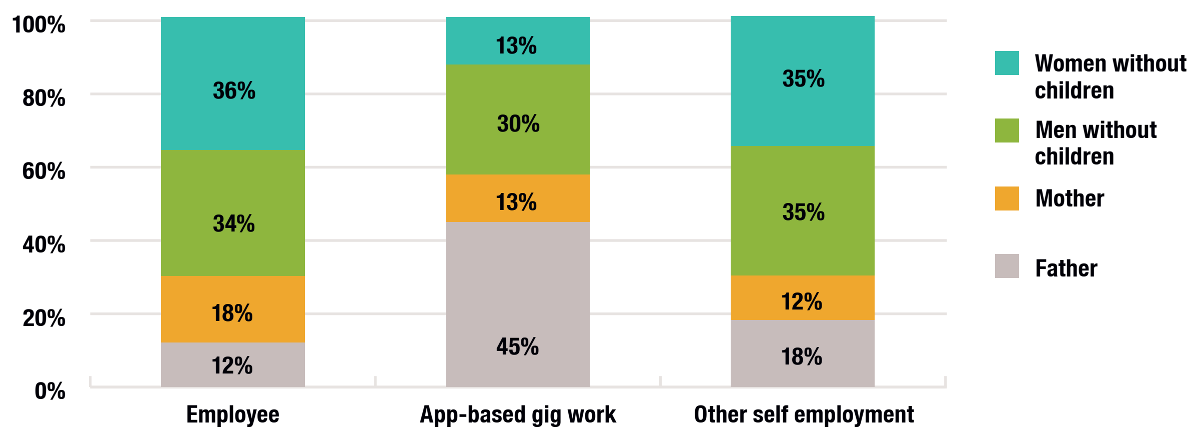
SOURCE: CSS 2020 UNHEARD THIRD SURVEY DATA.

Figure 4, panel (b): Racial/Ethnic composition by employment type



SOURCE: CSS 2020 UNHEARD THIRD SURVEY DATA.

Figure 4, panel (c): Household composition by employment type



SOURCE: CSS 2020 UNHEARD THIRD SURVEY DATA.

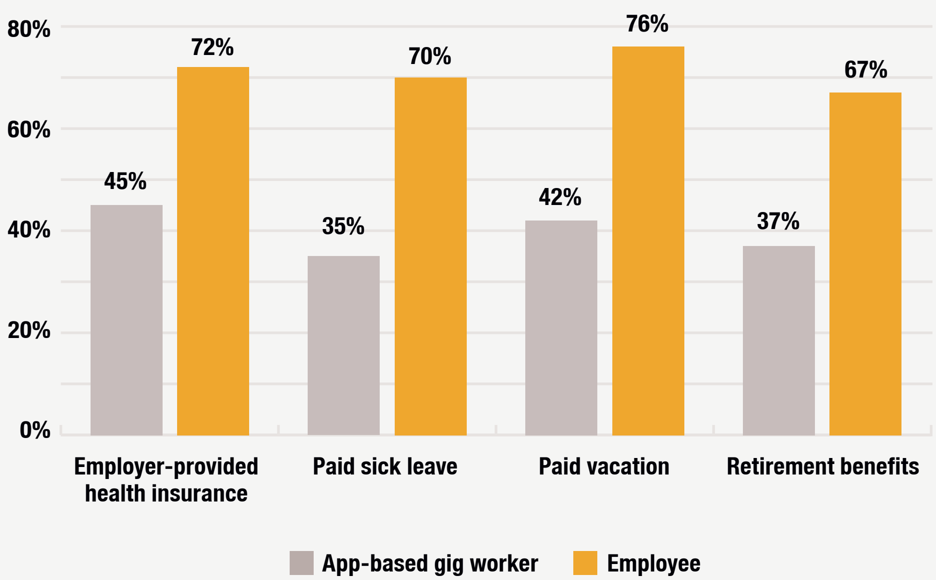
App-based gig workers prefer a regular job with predictable schedules and benefits.

App-based gig companies tout the importance of offering flexibility for their workers and argue that their workers would lose this flexibility if they were reclassified as employees. However, our survey reveals that the majority of New Yorkers choose app-based gig work because they are unable to find employment with stable hours and benefits, not because they prefer this kind of work. Fifty-seven percent of New Yorkers who engaged in app-based gig work over past year said that they preferred to have an employer who sets their schedule and provides benefits.

Many app-based gig workers lack critical workplace benefits.

A major challenge faced by app-based gig workers is their lack of benefits like employer-provided health insurance, paid time off and retirement savings. Figure 5 shows that among the employed respondents, 72 percent of those who designated themselves as regular employees said their employers provided them with health insurance, compared to only 45 percent of those who reported themselves as app-based gig workers. Only 35 percent of app-based gig workers said that they had paid sick time, while the share is double among employees. As part of the FY 2021 budget approved by the New York state legislature in April 2020, Governor Andrew Cuomo signed into law a new statewide measure requiring employers to provide sick leave, based on employer size.[38] This came after the state approved legislation in March 2020 to provide emergency job-protected paid sick leave across the state to

Figure 5: Share of workers with employer provided benefits



SOURCE: CSS 2020 UNHEARD THIRD SURVEY DATA.

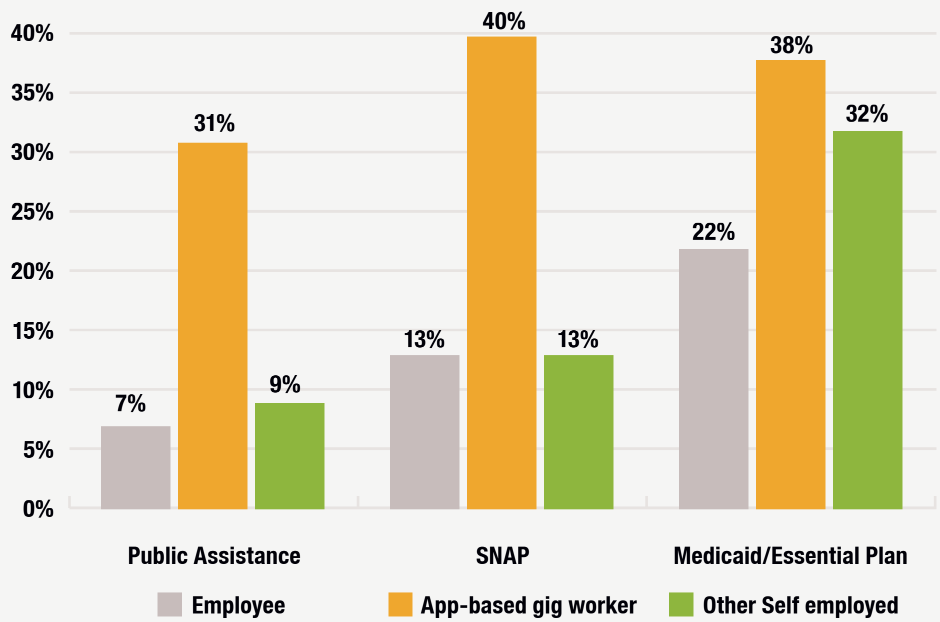
employees who are quarantined due to COVID-19. However, app-based gig workers were not covered under these new laws even though they are among the ones who can least afford to stay home when sick or to self-quarantine.

With few critical labor protections and workplace benefits (e.g., health insurance), app-based gig workers are turning to public benefit programs to help fill in the gaps. Highlighting the financial instability of this workforce, app-based gig workers are three times more likely than employees to receive SNAP benefits and four times more likely to receive public assistance.

Gig workers are more likely to need to avail public benefits than employees.

Figure 6 shows that app-based gig workers are applying for public benefits at much higher rates than employees. Forty percent of app-based gig workers receive SNAP (Supplemental Nutritional Assistance Program, formerly food stamps) benefits, three times higher than the share of other self-employed workers and employees receiving this benefit. Nearly a third of app-based gig workers receive public assistance such as cash assistance, Temporary Assistance for Needy Families (TANF) or welfare benefits-- four times higher than the share of employees that receive these benefits. Nearly four out of every 10 app-based gig workers receive health coverage through Medicaid or the Essential Plan, compared to less than a quarter of employees.

Figure 6: Share of workers receiving public benefits by employment type

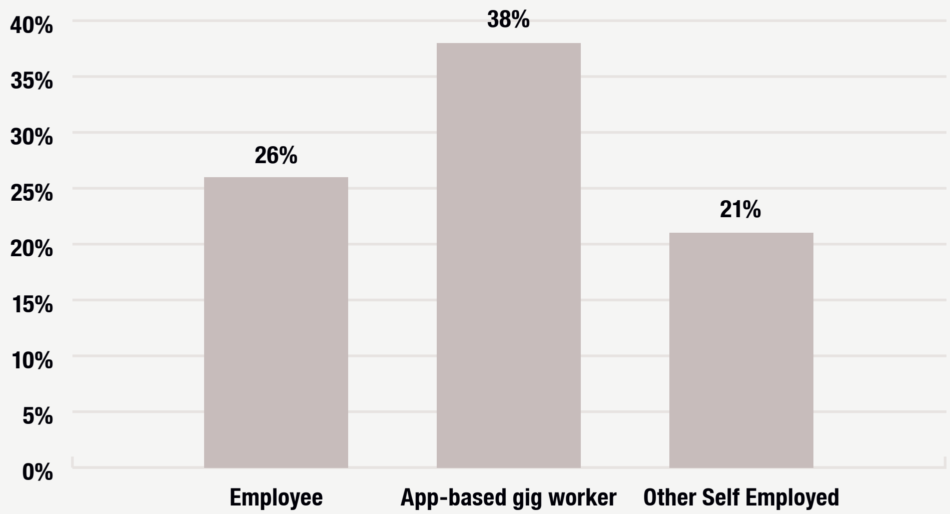


SOURCE: CSS 2020 UNHEARD THIRD SURVEY DATA.

App-based gig workers have been hit hard by the economic and public health consequences of the coronavirus.

App-based gig workers are twice as likely as workers who did not engage in app-based gig work to have contracted COVID-19: 15 percent of app-based gig workers said they had been infected with the coronavirus, compared to only 6 percent of other workers. Figure 7 shows the rates of coronavirus infection (of self or member of household) by employment type. Nearly 40 percent of app-based gig workers reported that they or a family member were infected with the coronavirus, compared to 26 percent of employees and 21 percent of other self-employed workers. This is not surprising given that app-based gig workers are often performing essential services that require frequent interaction with the public and are at higher risk for exposure to the coronavirus. Many also view themselves as essential workers. Nearly six out of every 10 app-based gig workers (59 percent) said that they were essential workers, compared to 43 percent of those who did not participate in the app-based gig economy over the past year.

Figure 7: Share of workers who reported that they or a family member had been infected with COVID-19 by employment type



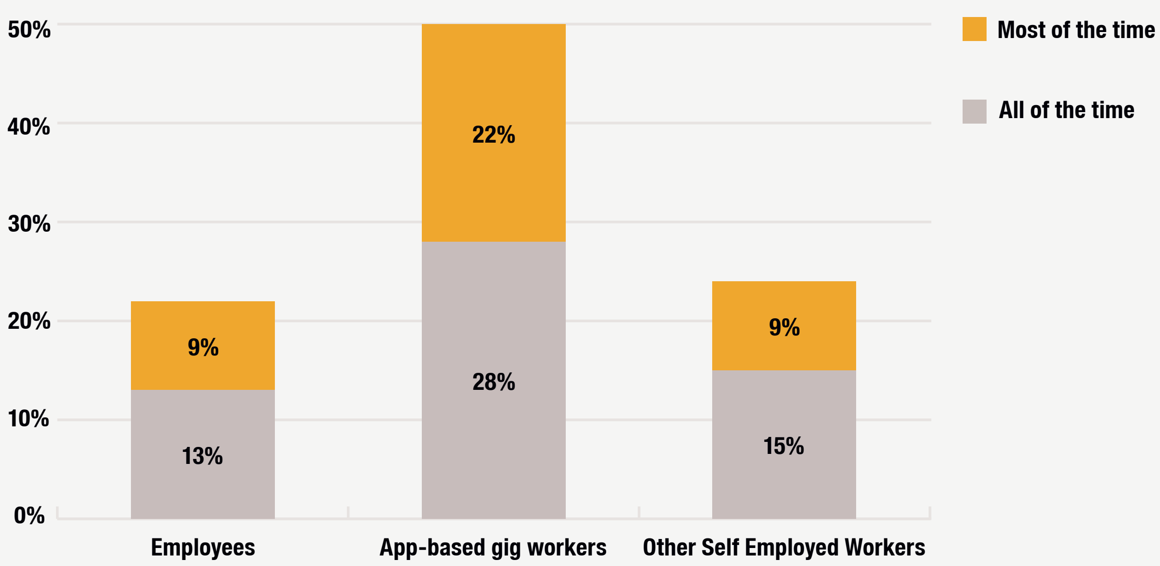
SOURCE: CSS 2020 UNHEARD THIRD SURVEY DATA.

App-based gig workers are experiencing widespread financial insecurity and hardship.

The coronavirus has exacerbated[39] the economic uncertainty that workers in the app-based gig economy face were already experiencing even before the outbreak. While the app-based gig economy can offer flexibility and autonomy for workers, this type of work often leads to inconsistent, unpredictable weekly earnings, which makes it difficult to pay bills on time or accumulate any sort of financial cushion. Before the pandemic hit, many app-based gig workers were unable to freely negotiate their pay and terms of employment, and typically have to pay out-of-pocket for expenses. On-demand, app-based workers are subject to platforms' performance review systems, which enable platforms to dock or lower workers' pay if they are rated poorly, as well as suspend or block them from signing into the platform without warning.[40] Commissions taken out by mobile app companies and other digital platforms contribute to low pay.[41] App-based gig workers also struggle to set aside sufficient reserves to pay their taxes as an independent contractor.

While app-based gig workers working for food and grocery delivery apps like DoorDash and InstaCart saw increased consumer demand due to the pandemic, these workers have not been compensated fairly for the grueling hours they face.[42] The COVID-19 outbreak reduced the incomes of other gig workers employed as app-based drivers as demand for rides plunged, increased the health risks they face from picking up passengers or interacting with sick clients, and led to higher out-of-pocket expenses on cleaning supplies.[43] A recent survey of app-based gig workers in California by the UCLA Labor Center and SEIU-United Healthcare Workers found that eight in ten said their current pay was insufficient to meet their household expenses and one in five did not have money for the next month's rent.[44] According to the 2020 Unheard Third, half of app-based gig workers we surveyed reported that they were worried all or most of the time about having enough income to pay their bills, compared to just 22 percent of employees.

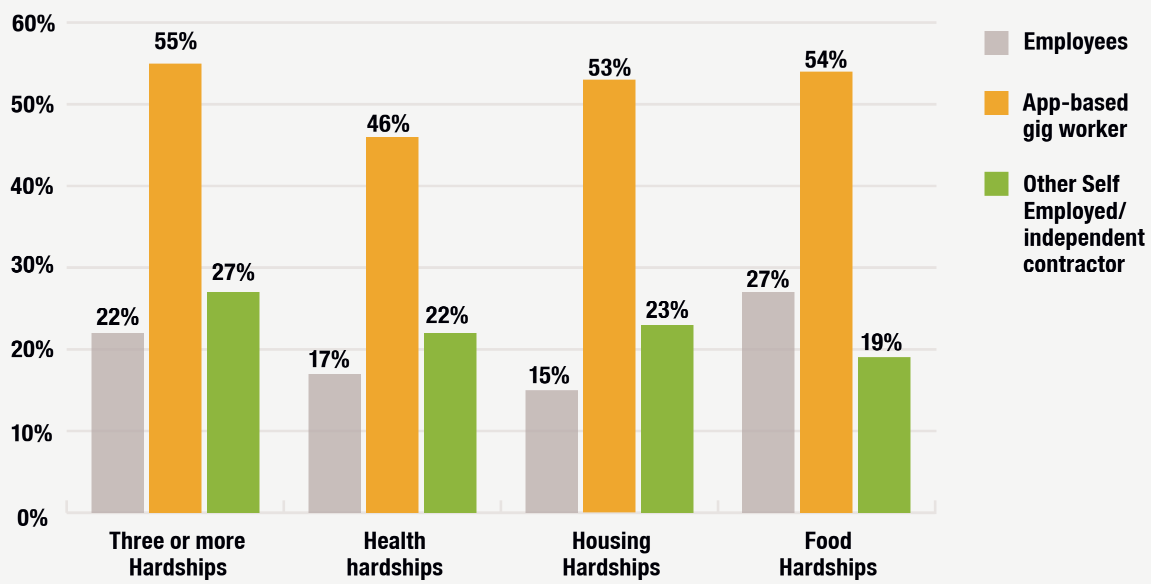
Figure 8: Share of workers who worried "all or most of the time" about meeting expenses by employment type



SOURCE: CSS 2020 UNHEARD THIRD SURVEY DATA.

App-based gig workers were twice as likely as employees or even other self-employed workers to experience multiple hardships since the start of the pandemic. Fifty-five percent said that they experienced three or more hardships since the start of the pandemic, more than double the share of employees. The disparities in health care affordability, as well as in housing and food insecurity, are particularly stark as shown in Figure 9. Since the start of the pandemic, app-based gig workers were about three times more likely than employees to experience a housing hardship such as falling behind on their rent or mortgage, experiencing a utility shut-off due to nonpayment, or being threatened with eviction or foreclosure. By the summer of 2020, 43 percent of app-based workers said that they had already fallen behind on their rent or mortgage or expected to fall behind on their rent or mortgage in less than three months, compared to just 17 percent of employees. Nearly half of app-based gig workers struggled to fill a necessary prescription, lacked health coverage, or had delayed medical care, more than double the share of employees who reported experiencing at least one of these health hardships since the start of the pandemic. Finally, over half of those who engaged in app-based gig work experienced at least one kind of food hardship in the past year—either having to go hungry and skip meals due to lack of food affordability and/or receiving free meals provided by charities and/or relatives and friends.

Figure 9: Share of workers reporting hardships by employment type



SOURCE: CSS 2020 UNHEARD THIRD SURVEY DATA.

SUMMARY OF KEY LEGISLATIVE INITIATIVES FOR APP-BASED GIG WORKERS

Federal:

- Family and Medical Insurance Leave (FAMILY) Act introduced by Senator Murray, Senator Gillibrand, and Congressmember DeLauro, would expand paid sick and paid family leave to workers classified as independent contractors. The FAMILY Act would create a permanent paid family and medical leave program for all workers that provides up to 66% of wage replacement for 12 weeks, anytime they need it.[1]
- Protecting the Right to Organize (PRO) Act introduced by Congressmember Bobby Scott and passed by the House uses the ABC test to expand access to federal bargaining protections to millions of additional workers, including app-based gig workers.[2]

New York State:

- Senator Diane Savino had proposed introducing the 'Right-to-Bargain' Act, which would enable drivers of app-based ride share companies ("network drivers") and delivery workers to join a so-called collective bargaining platform and provide them with some form of unemployment insurance.[3] Below we enumerate a few key problematic aspects of this bill:
  a. The bill would allow for workers to join a company chosen union, which would have little to no collective power to affect company regulations.
  b. If a worker separates from employment, whether they will be eligible to receive unemployment insurance is entirely at the discretion of the gig company at which the worker is employed.
  c. The bill would also make it impossible for localities to pass stronger workplace laws and regulations. For app-based drivers in New York City, this translates to a reduced hourly minimum wage—from $17.22 as mandated by the City's Taxi and Limousine Commission to $8.70.
  d. Finally, the proposed legislation denies app-based gig workers protections under state labor law, disability law, workers' compensation, as well as access to paid family leave, paid sick leave, City paid sick leave, and City and State human rights laws.

The bill was widely criticized by several unions and labor advocates for confining workers' ability to build power, restricting their access to essential rights, and undermining wage security.[4] The bill was also developed largely behind closed doors with major involvement of the gig companies and little to no input from workers themselves. Ultimately, the bill was not introduced in the 2021 legislative session.

- In 2019, Senator Robert Jackson and Assemblymember Deborah Glick introduced legislation (S6699A/A08721A) that would reclassify more gig workers as employees using the ABC test.[5]
- Assemblymember Jenifer Rajkumar has introduced legislation (A7743) that would reclassify all drivers of app-based ride-share companies as employees, following the ABC test.[6]

New York City:

- City Councilmembers Brad Lander and Ben Kallos had introduced legislation in March 2020 that aimed to push for the State to extend the ABC test, already used in certain industries in New York, to apply to all workers in the State. They also introduced a nonbinding resolution that called on the state legislature to classify gig workers as employees. Their bill would also broaden protections to app-based gig workers including under the city's paid sick leave law. [7]

1. https://www.gillibrand.senate.gov/news/press/release/gillibrand-delauro-introduce-family-act-urge-congress-to-pass-permanent-paid-leave-solution-to-spur-economic-recovery
2. https://www.congress.gov/bill/117th-congress/house-bill/842
3. https://aboutblaw.com/XEJ
4. https://www.nytwa.org/laborstatement
5. https://www.nysenate.gov/legislation/bills/2019/S6699
6. https://www.nysenate.gov/legislation/bills/2021/A7743
7. https://council.nyc.gov/brad-lander/2020/04/21/council-member-brad-landers-statement-on-introduction-of-nycs-essential-workers-bill-of-rights-package/

Conclusion

Our analysis shows that app-based gig workers represent 20 percent of low-income employed New Yorkers, a much larger share of the workforce than other government and private-sector surveys have shown. Yet, this sizable segment of our city's workforce is not benefitting from years of labor standards that have been put in place to protect workers. In efforts to increase profits and reduce labor costs, app-based companies have created billion-dollar businesses while circumventing labor laws that give workers critical rights: the rights to organize, to a social safety net, to fair pay and safe working conditions. In light of the COVID-19 pandemic, the absence of these protections is especially concerning given that app-based gig workers report higher rates of being infected with the coronavirus and were more likely to lose income since the start of the pandemic. Since recovery efforts continue to be a top priority for Governor Cuomo and state lawmakers, especially following the approval of the 2021-2022 state budget, it is disappointing that the Governor's proposed gig worker task force—alongside other efforts to provide more protections to app-based gig workers— has yet to be activated and operationalized.[45] We urge the Governor to prioritize the convening of this task force and return to the issue of ensuring that all workers have the basic protections needed to achieve financial stability. Below is a summary of current proposals to provide more labor protections to gig workers:

app-based companies have created billion-dollar businesses while circumventing labor laws that give workers critical rights

Usage of one simple labor standard—the ABC test—to simplify app-based gig workers' access to employment protections

Given the lack of a universal standard for determining workers' eligibility for benefits and protections under state wage and hour and workers compensation laws, we believe that using the ABC test to determine whether a worker is an employee or an independent contractor would be the best way to improve the economic security of app-based gig workers and help address the misclassification of low-wage workers. In 2019, prior to the pandemic, a group of labor advocates formed a coalition to create a universal standard to determine worker classification in New York state. Led by labor union SEIU 32BJ, the National Employment Law Project (NELP) and the NY Taxi Workers Alliance, the Do it Right Employment Classification Test (DIRECT) coalition continues to push for the state to use the ABC test to determine whether a worker is an independent contractor or an employee.[46]

Expand existing paid sick and paid family leave programs to automatically cover gig workers and independent contractors

To help extend paid sick leave coverage to nonconventional workers, advocates have also suggested using definitions of "employee" in paid sick time laws based on the broadest definitions of existing laws without exclusions or creating new employee definitions that have no exclusions.[47] For example, the city of Oakland has made clear in guidance to business that its paid sick leave law broadly covers workers including gig workers.[48]

Currently, New York state's paid family leave program enables independent contractors and self-employed workers to opt into the program but does not automatically cover them.[49] These workers will need to purchase a policy for both paid family leave and disability, as they are unable to opt into paid family leave alone. Alternatively, New York state could require companies where a majority of workers are independent contractors to automatically cover them under paid leave laws—in Massachusetts, businesses that employ 50 percent or more of their workers as independent contractors must cover them under the state's paid family leave law.[50]

Provide paid sick time, health insurance and other benefits through a portable benefits model

As a more politically feasible alternative to reclassification or automatically covering workers under paid leave programs, other advocates have suggested that benefits would be tied to the worker rather than to the job and have argued that workers should be able to own their benefits and be able to access them regardless of where they are employed. The concept of portability is important for many low-wage workers who may have multiple jobs or change jobs more frequently. A portable benefits system would allow workers to keep their benefits when they transition between employers or through periods of unemployment. Portable benefits is not a new idea—Social Security is one example of a program providing portable, prorated benefits.[51] App-based gig workers and independent contractors could have paid sick time through a portable benefits fund where employers would be required to pay into a fund to cover paid sick time that these workers could access when they need it. The portable benefits bill in Washington State, HB1601, is a possible model. Companies would be required to contribute either 5 percent of the fee charged to consumers or $1 per each worker hour, whichever is less, toward a benefits fund for health insurance, retirement and paid vacation.[52] The National Domestic Workers' Alliance Alia program, which clients of domestic workers can choose to pay into, offers benefits such as paid time off and several types of insurance, including disability, accident, critical illness and life, through a voluntary contribution from clients employing domestic workers.

Rather than having employers pay into benefits fund, such a fund could also rely on customer contributions. New York State's Black Car Fund, created in 1999, is currently structured in this way. There is a mandatory 2.5 percent surcharge for each black car ride. The revenue from this surcharge helps fund workers' compensation, death benefits and free vision care for over 130,000 independent drivers working for car services, including those driving for ride-hailing apps like Uber and Lyft. Brooklyn Borough President Eric Adams and Ira Goldstein, the head of the Black Car Fund have recently called for a Black Car Fund-style model to cover freelancers and independent workers, which will be funded through additional surcharges on other services.[53] App-based companies like Uber and Lyft have also warmed up to the idea of offering portable benefits for their workers. However, a portable benefits model still fails to provide key worker protections such as collective bargaining, a minimum wage and workplace safety, which makes this a less palatable option to worker reclassification using the ABC test. And while a portable benefits system would benefit workers who are legitimately self-employed, it runs the risk of incentivizing more companies to misclassify their workers.

app-based gig workers and independent contractors could have paid sick time through a portable benefits fund

Create gig worker cooperatives

Another idea that is gaining traction among both advocates and nonstandard workers are worker cooperatives, which enable individual workers the opportunity to band together in jointly owned and democratically controlled organizations. In California, organized labor and worker cooperative advocates proposed the Cooperative Economy Act (CEA)[54], legislation that would create the Cooperative Labor Contractor (CLC), which would act as the intermediary between gig companies and workers. As worker cooperatives, each CLC would be collectively owned and operated by the gig workers that provide services to companies with which they have negotiated contracts. This means that workers would assume legal responsibility for payment of wages, health and safety expenses, payroll taxes, unemployment insurance, and workers compensation. Advocates of this unique model argue that worker cooperatives can provide gig workers with more financial security, lead to a more equitable distribution of power and profits; and allow workers

more autonomy over their work while obtaining some benefits and labor protections.[55] The Montreal-based rideshare platform Eva and Vancouver-based Stocksy, a worker-owned marketplace for photographers are two examples of thriving gig worker cooperatives. In New York City, a group of ride-hail drivers recently organized The Drivers Cooperative, a driver-owned organization that developed its own app as a direct competitor to Uber and Lyft. The co-op plans to offer riders who use the Co-op app lower fares than the major rideshare companies while enabling drivers to pocket more of the revenue.[56] Since 2014, the New York City Council has approved more than $10 million to fund the development of worker cooperatives, and there is potential to expand this model to other app-based industries beyond rideshare drivers.[57]

The textbox on key legislative initiatives on page 21 shows the various proposals put forward by lawmakers at the city, state and federal levels of government that seek to address the precarious status and resulting lack of protections for gig workers. Our survey findings make clear that legislative action is imperative and urgent but must address the core issue of lack of labor protections for this workforce. Our survey findings demonstrate that not only do gig workers represent a larger share of New York City's workforce than other studies have previously suggested, but they are also experiencing significant hardships that the pandemic has exacerbated immensely.

Appendix

Broad definition of gig work

SURVEY AND RESEARCH ENTITY	DEFINITION	ESTIMATE	POPULATION SURVEYED
Bureau of Labor Statistics' May 2017 Contingent Worker Supplement	Alternative work arrangements: includes independent contractors, on-call workers, temporary help agency workers, and wworkers provided by contract firms.	10 percent of US workers were in alternative work arrangements.	60,000 households are surveyed monthly as part of the Current Population Survey from the BLS/Census Bureau Includes respondents in the civilian noninstitutional population aged 16 and over who reported working for pay in the past week.
Federal Reserve Board's 2015 Enterprising and Informal Work Activities (EIWA) Survey	Gig work is defined as offline and online informal paid work such as childcare, house cleaning, ride sharing, selling goods, and renting out property.	36 percent of American adults participate in offline and online informal paid work.	2,483 respondents were asked about whether they undertook this work in the 6 months prior to completing survey.
MetLife's 2019 US Employee Benefit Trends Study[1]	Gig workers are defined as being on a fixed-term contract, a freelancer, paid through online platforms, or other/informal workers.	18.5 percent of national workforce get primary income from gig work 9.2 percent supplement their full-time work with gig work	2,675 full-time employees aged 21 and over at companies with at least two employees, and 954 interviews with gig workers.
Federal Reserve Board's 2019 Survey of Household Economics and Decisionmaking (SHED)[2]	Gig work include both online and offline activities such as childcare, house cleaning, ride sharing, selling goods, and rent-ing out property.	10 percent of US adults were "regular" gig workers who spent at least 20 hours in the prior month on gigs.	12,173 adults aged 18 and older living in the US.
Gallup[3]	Alternative work arrangement: includes independent contractors, online platform workers, contract firm workers, on-call workers and temporary workers. Includes those who have second jobs or multiple jobs. Respondents were considered to be in an alternative work arrangement if they responded yes to whether they were working as an independent contractor last week; whether they were on call in the last seven days; worked for a contract firm in the last seven days; or those who said that they were in temporary jobs/ paid by a temporary help agency.	29 percent of US workers have an alternative work arrangement as their primary job in 2017 36 percent of US workers participate in alternative work arrangements in some capacity (when including multiple job holders) in 2017.	5,025 working adults aged 18 and older were surveyed in October 2017.
Freelancers' Union, an advocacy organization for independent workers and Upwork, an online freelancing platform	Freelancers: workers who engaged in supplemental, temporary, project- or contract-based work at any point in the past 12 months.	35 percent of US workers engaged in supplementary, temporary or contract-based work in some capacity in past 12 months (2019)	6,001 U.S. adults aged 18 and over who earned income from work within past 12 months.

US Census Bureau's 2019 American Community Survey	Independent contractors: those who are "unincorporated self-employed," which differs from small business owners who are categorized as "incorporated self-employed."4	6 percent of working adults living in New York City are self employed as independent contractors.	Individuals aged 18 and over who reported working for pay in the week before they were surveyed.
Community Service Society's 2020 Unheard Third Survey	Nontraditional work arrangements: respondents who are engaged in app-based gig work or other self-employment/independent contracting.	36 percent of employed New York City residents are in nontraditional work arrangements.	1,829 New York City residents reached by cell phones and landlines in summer 2019.

App-based/online platform gig workforce

Bureau of Labor Statistics' 2017 Contingent Worker Supplement	Electronically mediated workers are those who said that they "obtained short jobs or tasks through websites or mobile apps that both connected them with customers and facilitated payment for the tasks". The estimate includes people who did electronically mediated work as their main job.[5]	1 percent of US workers are comprised of electronically mediated workers (1.6 million) (2017)	Respondents in the civilian noninstitutional population aged 16 and over who reported working for pay in the past week (CPS surveys 60,000 households monthly)
Federal Reserve Board's 2019 Survey of Household Economics and Decisionmaking (SHED)[6]	Respondents who said "yes" to question on whether they found any paid work or customers through companies that connected them directly with customers using a website or mobile app, such as Uber or Lyft.	3 percent of US adults said that they were paid in the past month for driving or ride-sharing, such as with Uber or Lyft. 2 percent of US adults said that they were paid for doing tasks online such as freelance work through Fiverr or Upwork.	12,173 adults aged 18 and older living in the US.
Gallup 2017 poll[7]	Online platform workers: defined as workers who find short jobs through a mobile or online marketplace that connects them directly with customer, either in person or online.	7.3 percent of all workers (full and part time) are online platform workers.	5,025 working adults aged 18 and older were surveyed in October 2017.
Pew Research Center's American Trends Panel (2016)[8]	Technology-enabled gig work: includes anyone who earned money in the last year from website or mobile apps that: connect workers directly with people who want to hire them; require workers to create a profile in order to find and accept work assignments; and coordinate payments once the task or job is completed.	8 percent of Americans earned money in the last year using digital platforms to take on a job or task.	4,579 randomly selected US adults living in households who were surveyed in 2016 by web and mail.

JPMorgan Chase Institute (March 2018)[9]	Online platform work covers the transportation sector (drivers), non-transport sector (i.e. dog walkers, home repair); independent sellers of goods through online marketplaces, and those who rent their homes out to others. The 128 online platforms were defined as those that met the following three criteria: -Connected independent suppliers to customers -Mediated the flow of payment from customer to supplier -Empowered participants to enter and leave the market whenever they wanted	1.6 percent of Chase account holders who had generated at least some income from online platforms in March 2018.	Data is limited to JPMorgan Chase account holders, who not fully represent the US workforce; they're more likely to have higher incomes than average American. Information on hours worked and expenses are unknown. Includes transactions with 128 online platforms extracted from 39 million JPMorgan Chase bank accounts.
Analysis of the 2015-17 American Community Survey data and the 2017 Non-Employer Statistics (NES) series by The New School's Center for NYC Affairs		1.6 percent of New York State's overall workforce is comprised of online platform workers (equivalent to about 150,000 online platform workers)	
Community Service Society's 2020 Unheard Third Survey	Uses Pew's definition of technology-enabled gig work, which includes anyone who earned money in the last year from website or mobile apps that: connect workers directly with people who want to hire them; require workers to create a profile in order to find and accept work assignments; and coordinate payments once the task or job is completed	20 percent of employed New York City residents said that they earned money in the past year using digital platforms to take on a job or task 23 percent of employed low-income New Yorkers participated in gig work facilitated through website or app	1,632 New York City residents reached by cell phones and landlines in summer 2020.

Notes:

1) https://www.metlife.com/content/dam/metlifecom/us/ebts/pdf/MetLife_EBTS-GigReport_2019.pdf
2) https://www.federalreserve.gov/publications/files/2019-report-economic-well-being-us-households-202005.pdf
3)https://www.gallup.com/file/workplace/240878/Gig_Economy_Paper_2018.pdf
4) Based on worker self-identification; workers classified as independent contractors may not identify themselves this way.
5) The BLS had originally included a question on whether electronically mediated work was done as a main job, second job or other additional work for pay. However, BLS recoded its data due to incorrect "yes" answers for "second job" and "additional work for pay." The BLS noted that the only accurate estimate is the one for those doing this work as their main job.
6)https://www.federalreserve.gov/publications/files/2019-report-economic-well-being-us-households-202005.pdf
7) https://www.gallup.com/file/workplace/240878/Gig_Economy_Paper_2018.pdf
8) https://www.pewresearch.org/internet/2016/11/17/gig-work-online-selling-and-home-sharing/
9) https://www.jpmorganchase.com/corporate/institute/document/institute-ope-2018.pdf

Endnotes

1. App-based gig workers in New York and other states have been able to access unemployment insurance, but only after lengthy bureaucratic and legal determinations. In 2020, Congress created a temporary Pandemic Unemployment Assistance, which extended unemployment benefits to independent contractors (irrespective of one's misclassification as such).
2. https://www.bls.gov/careeroutlook/2016/article/what-is-the-gig-economy.htm
3. The 2020 Unheard Third is a scientific telephone survey of 1,632 New York City residents reached by cell phones and landlines from July 7 through August 4, 2020. It was designed by Community Service Society in collaboration with Lake Research Partners, who administered it using Random Digit Dialing and professional interviewers. The sample included 1,002 low-income residents (up to 200% of federal poverty standards, or FPL), and 630 moderate and higher-income residents (above 200% FPL). Interviews were conducted in English, Spanish, and Chinese. The margin of error for the entire survey is +/- 2.42%, for the low-income component is +/- 3.09%, and for the higher income component is +/- 3.9%, all at the 95% confidence interval.
4. Low-income individuals are defined as those reporting household incomes less than 200 percent of the federal poverty level.
5. Fuentes, Rey, Rebecca Smith, and Brian Chen, Rigging the Gig: How Uber, Lyft, and DoorDash's Ballot Initiative Would Put Corporations above the Law and Steal Wages, Benefits, and Protections from California Workers, (Oakland, CA: Partnerships for Working Families; New York: National Employment Law Project, 2020), https://s27147.pcdn.co/wp-content/uploads/Rigging-the-Gig_Final-07.07.2020.pdf
6. Washington state has ensured an array of protections for gig workers- from guaranteeing a minimum wage to providing unemployment insurance, to protecting them from unfair terminations and discrimination. https://rightsatworkwa.org/full-manual/
7. The State Attorney General of Massachusetts has sued ride-hailing companies for misclassifying drivers as independent contractors when they are perceived as employees per the state's laws. See: Conger, Kate and Daisuke Wakabayashi. The New York Times. "Massachusetts Sues Uber and Lyft Over the Status of Drivers." https://www.nytimes.com/2020/07/14/technology/massachusetts-sues-uber-lyft.html.
8. Courts in Illinois, New Jersey and New York have ruled that at least some drivers of ride-hailing apps must be considered employees for unemployment insurance purposes. ps://www.nytims.com/2020/04/17/business/economy/coronavirus-uber-lyft-unemployment.html
9. Originally, an estimated one million workers in California, including ride-hailing drivers, food delivery couriers and construction workers, were eligible for basic worker protections like minimum wage, unemployment insurance and other benefits that those designated as employees receive. See The New York Times here: https://www.nytimes.com/2019/09/11/technology/california-gig-economy-bill.html
10. Smith, Sandy. Next City. "Lyft Takes Its Contractor Campaign to Illinois." November 18, 2020. https://nextcity.org/daily/entry/lyft-takes-its-contractor-campaign-to-illinois
11. Under the new change, worker classification would be on an "economic reality test" that would classify workers as employees if they are economically dependent on an employer, and independent contractors if they're in business for themselves and aren't economically dependent on someone else's business. See: Keenan, Alex. Yahoo! Finance. "Trump administration finalizes independent contractor rule criticized by labor advocates." https://finance.yahoo.com/news/labor-department-finalizes-rule-defining-independent-contractors-163512394.html. January 6, 2021.
12. Economic Policy Institute. "The Trump administration's proposed independent contractor rule would cost workers at least $3.7 billion annually in lost pay and benefits." October 26, 2020. https://www.epi.org/press/the-trump-administrations-proposed-independent-contractor-rule-would-cost-workers-at-least-3-7-billion-annually-in-lost-pay-and-benefits/
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14. White House Office of Management and Budget. FY 2022. Budget of the US Government. https://www.whitehouse.gov/wp-content/uploads/2021/05/budget_fy22.pdf
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36. Census Bureau data shows that among New Yorkers self-employed as independent contractors, white New Yorkers are twice as likely as Latinx and Black residents to be working in higher-paying industries such as information, finance, real estate, or arts and entertainment: 56 percent of white residents had jobs in these industries, compared to only 21 percent of Latina/o/x New Yorkers.
37. CSS analysis of 2019 1-year American Community Survey data from the US Census Bureau.
38. The new state measure will give employees of businesses of five to 99 workers, and those with one to four workers but over $1 million in annual net income, at least 40 hours (five days) of paid sick time a year. Employers of fewer than five workers, and net incomes of $1 million or less will be required to provide five days of sick leave, but it can be unpaid. Larger employers of 100 or more would be required to provide up to 56 hours (seven days) of paid sick time. All workers will be guaranteed their jobs.
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