

**ECONOMIC IMPACT OF APP-BASED RIDESHARE AND DELIVERY NETWORK
PLATFORMS IN CALIFORNIA, 2023**

REPORT OF BERKELEY RESEARCH GROUP

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**PREPARED FOR
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I. KEY FINDINGS

App-based rideshare and delivery services have become a mainstay for Californians. This report analyzes the economic impacts of these services on merchants, consumers, and app-based drivers.¹

- In 2023, a total of 196,728 restaurant, grocery store, and other retailer accounts connected with customers on the DoorDash, Instacart, and Uber (Uber Eats) platforms in California. While merchants can register on multiple platforms, the exact extent of this overlap is unknown. Collectively, these merchants generated \$12.9 billion in revenue on the platforms, with each merchant account earning an average of \$65,826.
- In the same year, there were approximately 1.6 million drivers² who performed at least one ride or delivery across the DoorDash, Instacart, Lyft, and Uber platforms in California. Drivers can also be registered across multiple apps, but the extent to which this occurs is not fully known. Together, those drivers completed 7.1 million trips or deliveries in California.
- In the same year, nearly 70% of drivers worked fewer than 5 hours³ per week. Another 12% drove for 5-9.9 hours, and an additional 12% drove for 10-19.9 hours. In sum, more than 92% of drivers worked fewer than 20 hours a week on average. Only 7% of drivers worked 20 hours or more per week.

¹ In this report “drivers” refer to those who provide rideshare or delivery services to consumers through Delivery Network Companies (DNCs) and/or Transportation Network Companies (TNCs). This group includes not only drivers but also workers using bicycles, scooters, or other non-automotive transportation methods to complete accepted deliveries and rides. For additional definitions, see the Appendix.

² The number of drivers is calculated as the sum of registration counts of app-based driver who completed at least one ride/delivery in California during the period of study. This may include duplicate drivers across platforms.

³ All hour-related figures in this report are based on engaged hours. Engaged hours include the time from the acceptance to pickup of a ride or delivery and the time spent taking a passenger or delivery to a destination. They do not account for time waiting for a ride or delivery request. See the Appendix for further information.

- In the same year, drivers earned an average of \$37.40 per hour including tips and \$28.91 without tips. In total, drivers earned \$10 billion with tips and \$7.7 billion without tips across California.

II. INTRODUCTION

The purpose of this independent study is to understand the economic impacts of app-based rideshare and delivery network platforms on app-based drivers and merchants who contract with them in California.⁴ The data used in this analysis was drawn from four app-based rideshare and delivery platforms.⁵

While using private vehicles for passenger transport and food delivery isn't new, the rise of app-based platforms has revolutionized this landscape. These platforms have dramatically changed urban transportation and delivery opportunities. Nationwide, app-based rideshare trips now far outnumber taxi rides. Similarly, grocery, restaurant, and other deliveries have become much more common, with a substantial increase in the number of available restaurants, grocery stores, and other retailers. In California alone, there were approximately 1.6 million drivers active on these rideshare and delivery platforms in 2023.

This report examines two types of app-based platform users: merchants and drivers. Merchants include local restaurants, grocery stores, and other retailers that connect to consumers through Delivery Network Company (DNC) platforms. Consumers place orders for food, groceries, and other goods from these merchants, which are then delivered by drivers using DNCs. Drivers are those who provide rideshare or delivery services to consumers on DNCs and/or Transportation Network Company (TNC) platforms.

⁴ This report was prepared by the Berkeley Research Group (BRG) and commissioned by the Protect App-Based Drivers + Services (PADS) Coalition. All findings, conclusions and opinions are exclusively those of the authors.

⁵ Company data covering 2023 were provided by DoorDash, Instacart, Lyft, and Uber. BRG had independent access to these data and full discretion in analyzing them. BRG worked with each company to establish uniform data definitions. Detailed definitions can be found in the Appendix. None of the platforms involved in this report had access to data from other platforms at any time.

III. ANALYSIS OF ECONOMIC IMPACT ON MERCHANTS

DNCs are platforms that link restaurants, grocery stores, and other retailers to local consumers. On these platforms, consumers order household essentials such as food, groceries, prescriptions and as well as other items, which are delivered by a network of drivers who are independent contractors.

In 2023, the number of total merchant accounts on the DoorDash, Instacart, and Uber (Uber Eats) platforms was 196,728 (although it should be noted that a merchant can hold multiple accounts across different platforms).⁶ During this same period, merchant revenues generated by the platforms were \$12.9 billion. On a per merchant account basis, the average revenue generated on these platforms was \$65,826.

There is variation in the number of merchant accounts and merchant revenue by region. Table 1 below highlights these differences across 25 Core-Based Statistical Areas (CBSAs) in California during 2023. The table shows the total merchant revenue, the number of merchant accounts, and the revenue per merchant account by CBSA.

⁶ To protect confidentiality, BRG was not provided personally identifiable information on drivers or merchants, so calculating the number of drivers or merchants that use multiple platforms is not possible. A publicly available survey conducted in 2023 by Gridwise suggests that up to 24.3 percent of drivers may work with multiple platforms. See, Gridwise. (2024). *Gig Mobility Report*. <https://gridwise.io/gig-mobility-report/>.

Table 1: Total Merchant Revenue, Merchant Accounts, and Revenue per Account by CBSA, 2023

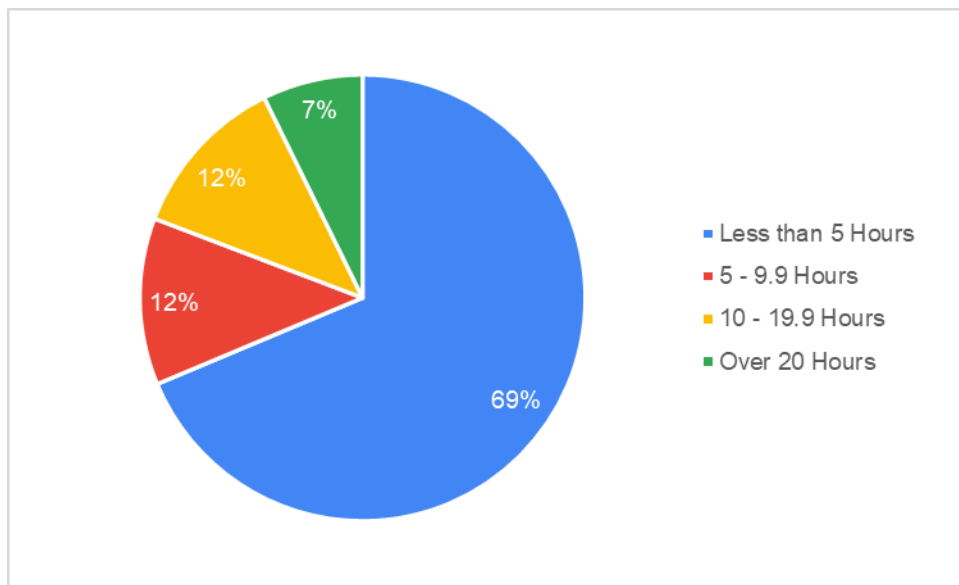
| Core-Based Statistical Area (CBSA) | Total Merchant Revenue | Number of Merchant Accounts | Revenue per Merchant Account |
|------------------------------------|------------------------|-----------------------------|------------------------------|
| Bakersfield-Delano | \$141,307,050 | 2,821 | \$50,091 |
| Chico | \$47,828,080 | 581 | \$82,320 |
| El Centro | \$12,320,281 | 481 | \$25,614 |
| Fresno | \$216,717,184 | 3,889 | \$55,726 |
| Hanford-Corcoran | \$22,140,039 | 358 | \$61,844 |
| Los Angeles-Long Beach-Anaheim | \$5,039,504,886 | 79,056 | \$63,746 |
| Merced | \$40,892,799 | 696 | \$58,754 |
| Modesto | \$135,166,242 | 2,043 | \$66,161 |
| Napa | \$40,612,765 | 506 | \$80,262 |
| Oxnard-Thousand Oaks-Ventura | \$205,183,471 | 3,615 | \$56,759 |
| Redding | \$42,427,228 | 594 | \$71,426 |
| Riverside-San Bernardino-Ontario | \$1,191,231,227 | 19,401 | \$61,401 |
| Sacramento-Roseville-Folsom | \$734,916,209 | 10,810 | \$67,985 |
| Salinas | \$79,853,689 | 1,446 | \$55,224 |
| San Diego-Chula Vista-Carlsbad | \$1,018,180,523 | 16,605 | \$61,318 |
| San Francisco-Oakland-Fremont | \$2,159,777,912 | 28,242 | \$76,474 |
| San Jose-Sunnyvale-Santa Clara | \$871,998,260 | 11,329 | \$76,970 |
| San Luis Obispo-Paso Robles | \$69,121,070 | 1,165 | \$59,331 |
| Santa Cruz-Watsonville | \$70,170,349 | 1,019 | \$68,862 |
| Santa Maria-Santa Barbara | \$108,231,148 | 1,639 | \$66,035 |
| Santa Rosa-Petaluma | \$140,288,669 | 1,948 | \$72,017 |
| Stockton-Lodi | \$189,872,648 | 2,718 | \$69,857 |
| Vallejo | \$155,956,938 | 1,902 | \$81,996 |
| Visalia | \$67,354,652 | 1,323 | \$50,911 |
| Yuba City | \$28,979,237 | 484 | \$59,874 |

IV. ANALYSIS OF ECONOMIC IMPACT ON DRIVERS

According to data provided independently to BRG by DoorDash, Instacart, Lyft, and Uber, during 2023, there were 1.6 million drivers who performed a delivery or a ride across the four platforms. Some drivers are registered across multiple platforms, though it is not possible to determine the total number of drivers that multi-app. The total number of trips and deliveries made by those drivers in 2023 was 7.1 million.

The majority of drivers on any individual platform overwhelmingly engage with services on a part-time basis. In 2023, 69% of drivers worked with any one platform for fewer than 5 hours per week; 12% of drivers worked 5 or more hours but fewer than 10 hours per week; and 12% of drivers drove 10 or more hours but fewer than 20 hours per week. Only 7% of drivers drove 20 or more hours per week.

Figure 1: Driver Average Weekly Hours Worked



Including tips, in 2023 app-based drivers earned \$10 billion in California, resulting in an average of \$37.40 per hour. Earnings without tips amounted to \$7.7 billion in total, or \$28.91 per hour in the same period. These figures are weighted averages across the four platforms, represent gross earnings, and do not account for costs that drivers incur operating their vehicles.

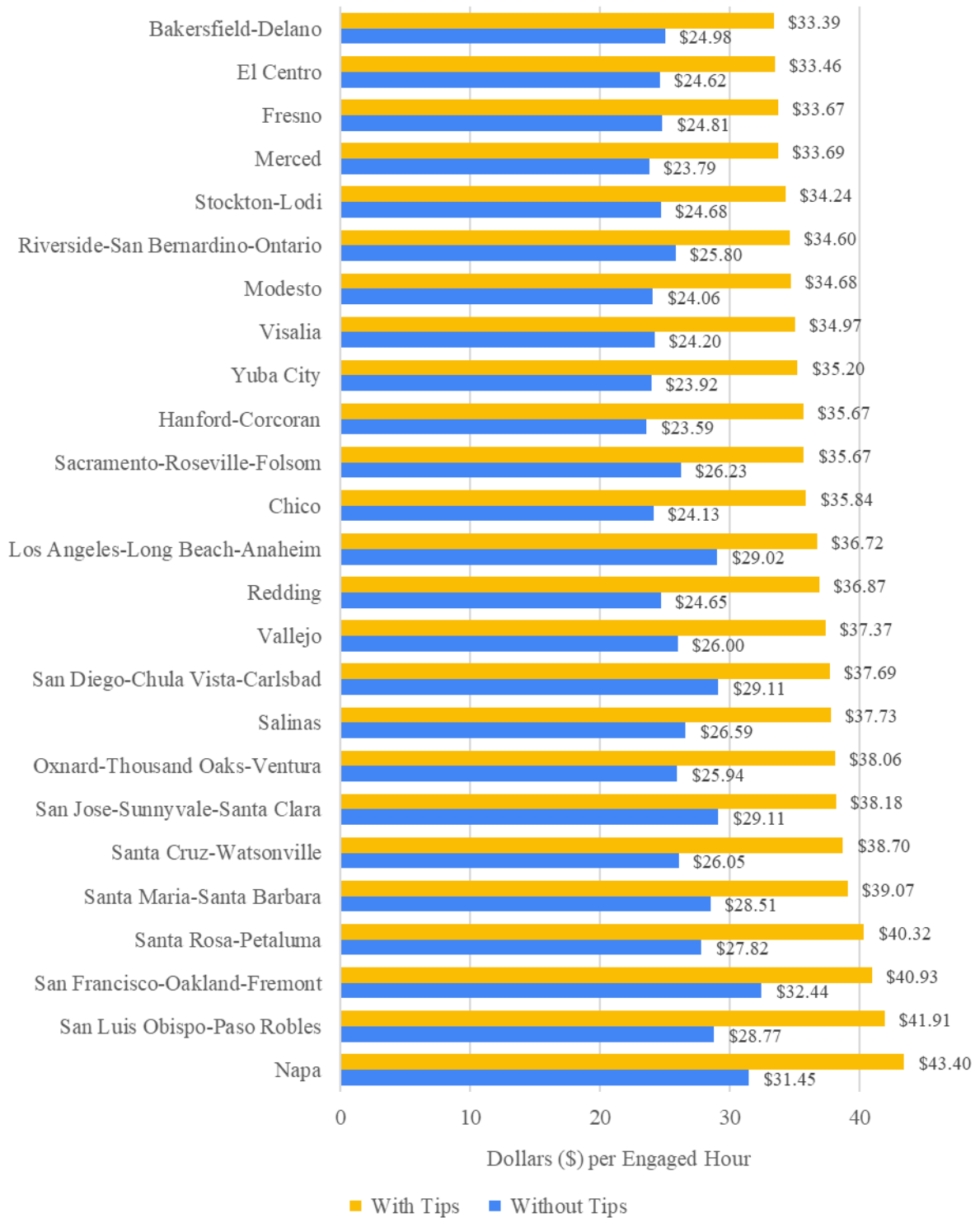
There is variation in driver earnings by region. Earnings are higher in the larger coastal cities, while drivers in more rural cities earn less. This variation is consistent with differences in the cost of living. Average tipped earnings were \$37.39 per engaged hour across each of the state's Metropolitan Statistical Areas (MSAs), and average untipped earnings exceeded \$29.18 per hour,

as shown in Table 2 below. The average hourly earnings with and without tips by CBSA are shown in Figure 2 below.

Table 2: Driver Average Hourly Earnings With And Without Tips per Account by MSA, 2023

| Metropolitan Statistical Area (MSA) | With Tips | Without Tips |
|--|----------------------|-------------------------|
| San Francisco | \$40.93 | \$32.44 |
| Los Angeles | \$36.72 | \$29.02 |
| Inland Empire | \$34.60 | \$25.80 |
| San Luis Obispo | \$41.91 | \$28.77 |
| San Diego | \$37.69 | \$29.11 |
| Sacramento | \$35.67 | \$26.23 |
| Chico | \$35.84 | \$24.13 |
| Fresno | \$33.67 | \$24.81 |
| Bakersfield | \$33.39 | \$24.98 |
| Total | \$37.39 | \$29.18 |

Figure 2: Gross Average Hourly Earnings by CBSA, 2023



V. CONCLUSION

This report examines the number of merchant and app-based drivers in California, as well as their revenues and earnings, in order to assess the economic impact of app-based platforms in the state. The data and analysis presented in this report reflect the continued strong positive impact of app-based platforms on revenue generation for merchants and on the earnings of drivers in California.

VI. APPENDIX

- “Drivers”
 - “Drivers” refers to those who provide rideshare or delivery services to consumers through Delivery Network Companies (DNCs) and/or Transportation Network Companies (TNCs). This group includes not only drivers but also a small percentage of workers using bicycles, scooters, or other non-automotive transportation methods to complete accepted deliveries and rides.
 - The number of drivers is calculated as the sum of registration counts of app-based driver who completed at least one ride/delivery in California during the period of study. This may include duplicate drivers across platforms (for example, an individual can count as a driver with Lyft and as a driver with Uber if driving with both platforms during the specified period).
- “Merchants”
 - Grocery stores, restaurants, convenience stores, pet supply stores, florists, bakeries, and other retailers that are registered and actively using app-based delivery platforms in the specified period.
- “Total Merchant Accounts”
 - The sum of counts of grocery store, restaurant, and other retailer accounts registered and actively using app-based delivery platforms in the specified period. This may include duplicate merchants (e.g., a restaurant registered on DoorDash is also likely to be registered on Uber Eats and would be counted twice in these data).
 - The number of merchant accounts varies across platforms due to the differing types of retailers each company partners with. For example, Instacart primarily partners

with grocery store merchants while DoorDash partners with restaurants, convenience stores, pet supply companies, and other types of retailers.

- “Total Merchant Revenues”
 - The sum of all revenues earned by all merchant accounts via involvement in the platforms in the specified period.
- “Revenue per Merchant Account”
 - Total Merchant Revenues divided by Total Merchant Accounts for a specified region and period.
- “Hours”
 - In app-based rideshare or delivery work, time is typically categorized as follows:
 - P1 is the time spent with an app open while a driver is not engaged in a ride or delivery. Such time is not necessarily spent in the driver’s vehicle. Drivers may be logged into the platform while at home or during leisure pursuits, may be logged into multiple platforms at the same time, and/or may be being paid for other work.
 - P2 is the time from acceptance to pickup of a ride or delivery.
 - P3 is the time spent taking a passenger or delivery to a destination.
 - All hour-related figures in this report represent engaged (P2 and P3) hours.
- “Average Weekly Hours”
 - Numerator: the sum of hours when a driver is engaged in a ride, defined as the time the driver spends driving to pick up a passenger or delivery (P2) and the time with a passenger or delivery in the vehicle (P3) during the year.
 - Denominator: the number of weeks during the year in which a driver was eligible to drive on a platform (including weeks in which the driver did not complete a ride).
- “Total Earnings”
 - The sum of driver earnings for all drivers over the study period, excluding tips. It represents gross earnings and does not account for costs drivers incurred during engaged hours. The cost of fuel, depreciation due to miles driven, maintenance

associated with the level of driving, and in some cases insurance can all vary depending on the level of service a driver provides.⁷

- “Total Tips”
 - The sum of tips paid to all drivers in the population over the study period.
- “Total Trips”
 - The sum of all trips as well as deliveries by registered driver in a given period.
- “Average Hourly Earnings”
 - The total earnings, or earnings plus tips, in a given period divided by hours worked (i.e., the sum of P2 and P3 engaged hours in a given period).

⁷ California’s Proposition 22, a ballot initiative passed by voters in November 2020, allows DNCs and TNCs to classify drivers for their ridesharing and delivery services as independent contractors rather than employees. On July 25, 2024, the California Supreme Court unanimously upheld Proposition 22. Proposition 22 states that the earnings guarantee includes a per-mile rate (\$0.34 per mile for 2023) under certain conditions, which is designed to offset incurred expenses. These costs are typically estimated on a per-mile basis and vary from study to study. Assuming driver expenses equal to 10% of earnings, the typical app-based driver in California would have net earnings of more than \$33.60 per hour including tips based on data provided by app-based platforms.