New York City passes nation's first minimum pay rate for Uber and Lyft drivers

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Why did we select this research?

City officials in New York passed the nation's first minimum pay rate for drivers who work for ride-hailing apps, ending a contentious two-year battle to make sure drivers can earn a decent living.

Key Findings

- Because Uber and Lyft drivers are considered independent contractors and not employees, they are not subject to the city's minimum hourly wage. The new rules essentially get around that loophole and ensure that drivers are earning at least the minimum wage, with a few dollars extra to cover payroll taxes and some paid time off.
- This change represents the most aggressive effort to regulate Uber since the Silicon Valley tech giant upended urban transportation in 2011.
- Concerns about Uber's business model and work culture have renewed focus on the tech company, and New York City may pave the way for other cities to provide much-needed oversight of the company's business practices.
- Since the start, the ride-hailing industry has exploded, and the problems that have come with it are harder to ignore. New York City now plays a central role

in the economic experiment of the gig economy.

- Not all parties agree. Some state that this rule will undermine competition by allowing certain companies to pay drivers lower wages and disincentives driver from giving rides to and from areas outside Manhattan.

Reference

Fernandez Campbell, A (2018) New York City passes nation's first minimum pay rate for Uber and Lyft drivers. VOX.

https://www.vox.com/2018/12/5/18127208/new-york-uber-lyft-minimum-wage