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September 17, 2015

SENT BY EMAIL: CWR.SpecialAdvisors@ontario.ca

Changing Workplaces Review
ELCPB
400 University Ave., 12th Floor
Toronto, ON M7A 1T7

Dear C. Michael Mitchell and The Honourable John C. Murray, Special Advisors,

RE: ONTARIO MINISTRY OF LABOUR - CHANGING WORKPLACES REVIEW

Uber is a company, co-founded by a Canadian entrepreneur in 2009, which currently serves 350+ cities globally and 25 cities and communities across Canada, including Edmonton, the Greater Toronto Area (GTA), Hamilton, London, Guelph, Waterloo Region, Ottawa, Montreal, Quebec City and Halifax. Uber's Canadian headquarters are located in Toronto.

As a company, Uber has changed the way people connect with and move around their cities and communities. Uber offers access to reliable, affordable, and safe transportation through a smartphone application (app).

What is Ridesharing?

Uber is most synonymous with peer-to-peer ridesharing. On the Uber platform, the product category for ridesharing is known as "uberX". Ridesharing is an industry in which drivers use their own personal vehicles and are matched with passengers through simple and convenient GPS-enabled smartphone apps that allow for shared rides.

Passengers have the benefit of convenience and safety – they can identify their driver through the Uber app and all drivers have a clean background check and a mechanically inspected vehicle. Payment for each ride is handled automatically through the Uber app. For drivers, ridesharing provides a flexible source of income based on a schedule of their choosing, in a safe and empowering environment. Both parties are also subject to a 5-star ranking and written feedback mechanism, within the app, to facilitate trust, quality customer service and passenger behaviour.

The Sharing Economy

Along with the likes of companies such as Airbnb, Uber is one of the most notable companies in the sharing economy space. The sharing economy consists of two basic features: sharing companies that either own goods or provide services that they rent out to consumers, most often on a short-term basis, or sharing companies like Uber that create peer-to-peer platforms

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that connect providers (Uber driver partners) and users (Uber riders) for the exchange, purchase or rental of goods and services (peer-to-peer transportation facilitated through the Uber platform).

According to the Mowat Centre, in their February 2015 report entitled "Policymaking for the Sharing Economy: Beyond Whack-A-Mole":

Powered by new technology, a new set of companies are creating new marketplaces with the potential to reshape the economy. These platforms — together called "the sharing economy" — allow people to buy goods and services directly from one another instead of from traditional businesses...By making transactions seamless, these platforms offer new options — often less expensive ones — to consumers, and allow people with spare space, goods, or time an easier chance to make some extra money. This appeal has led to rapid growth, with revenues from five key sectors of the sharing economy estimated to be USD \$15 billion today and projected to grow to USD \$335 billion by 2025.¹

At the same time, Ontario residents believe that the sharing economy is good for the province. Public opinion research by Leger shows that two thirds of Ontarians believe that the growth of companies in the sharing economy (like Uber, AirBnB, Taskrabbit, etc.) is a good thing for the Ontario economy. In the GTA, this number rises to 85 percent.²

Uber Driver Partners

According to the Ontario Chamber of Commerce, "Those jurisdictions that recognize the sharing economy as an opportunity will build regulatory...frameworks that support innovation, while ensuring that other public interest outcomes are secured".³ In accomplishing this task, it is important to understand more about who Uber driver partners are, why they drive on the Uber platform, and the nature of their engagement with the Uber platform.

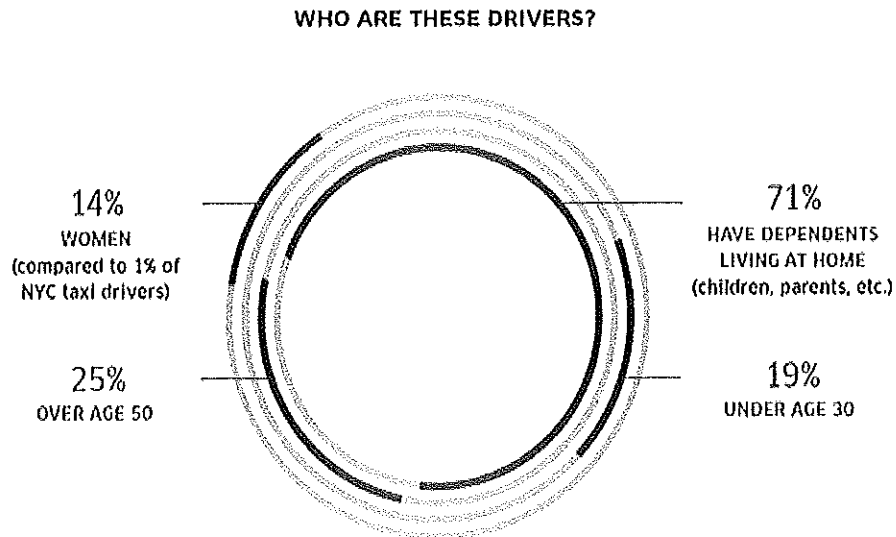
¹ S. Johal & N. Zon, "Policymaking for the Sharing Economy: Beyond Whack-A-Mole" (2015: Mowat Centre, School of Public Policy and Governance, University of Toronto) at pg. 3. Online: http://mowatcentre.ca/wp-content/uploads/publications/106_PolicymakingForTheSharingEconomy.pdf.

² The results of the Leger poll on the sharing economy in Ontario can be viewed here: <http://hamiltonchamber.ca/wp-content/uploads/2015/08/Sharing-Economy-Leger-Survey-Data-Set-August-2015.pdf>

³ Holmes and L. McGuinty, "Harnessing the Power of the Sharing Economy: Next Steps for Ontario" (2015: The Ontario Chamber of Commerce) at pg. 1. Online: <http://www.occ.ca/wp-content/uploads/2013/05/Harnessing-the-Power-of-the-Sharing-Economy.pdf>.

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In a study entitled, "An Analysis of the Labor Market for Uber's Driver-Partners in the United States" by Dr. Jonathan Hall and Princeton Professor Alan Krueger, it was found that in the United States, 14% of Uber driver partners are women compared to 1% of New York City taxi drivers, 25% were over the age of 50, 19% were under the age of 30, and 71% have dependents living at home (children or parents, etc.).⁴



These Uber driver partners are independent contractors. Studies show that independent contractors overwhelmingly prefer the freedom and flexibility that comes with being independent contractors.⁵ In the United States, 73 percent of Uber driver partners would opt for a job where they could choose their own schedule and be their own boss.⁶ According to the Hall and Krueger study:

- 87% want to be their own boss and set their own schedule. 65% of Uber driver partners changed the number of hours worked per week by more than 25% from one week to the next.
- 85% want to have more flexibility in their schedule and balance their work with their life and family for better work-life balance. 51% of Uber driver partners work 15 hours or less a week, when they decided to work at all.

⁴ J. Hall & A. Krueger, "An Analysis of the Labor Market for Uber's Driver-Partners in the United States" (2015: Working Papers, Princeton University: Industrial Relations Section) at pg. 587. Online: <https://newsroom.uber.com/2015/01/in-the-drivers-seat-understanding-the-uber-partner-experience/>.

⁵ *Ibid.*

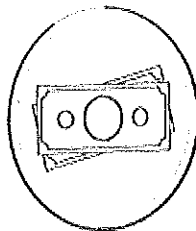
⁶ *Ibid.*

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- Almost 50% of Uber driver partners previously worked in the for-hire transportation industry. They decided to work on the Uber platform because it freed them from traditional taxi "shift work" that imposes a high cost of entry. About 50% of Uber driver partners were not previously driving to make a living. They only chose to become drivers because Uber came to town.
- Only 8% of active Uber driver partners were unemployed before they joined the Uber platform. Instead, 80% of Uber driver partners were working full- or part-time just before they joined Uber, with as many as two thirds of them having a full-time job.
- Uber has provided new wage-earnings opportunities for workers. In the United States, Uber driver partners received \$656.8 million in payments from driving on the Uber platform in the last three months of 2014.

What this demonstrates is that the contractual nature of work as an Uber driver partner enables people to tap into the sharing economy to earn extra income with the added benefit of flexibility to set their own schedule and work around other part- and full-time jobs and family commitments.

WHY ARE PEOPLE CHOOSING TO DRIVE WITH UBER?



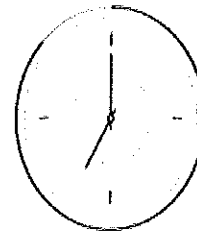
91%

"To earn more income to better support myself or my family."



85%

"To have more flexibility in my schedule and balance my work with my life and family."



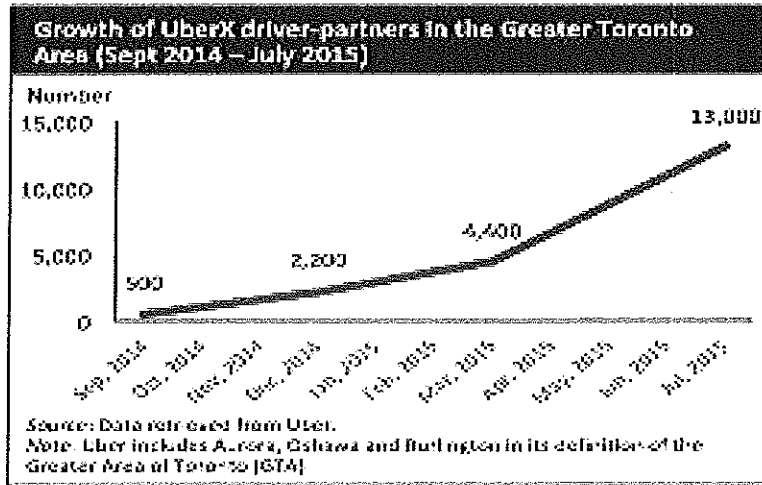
87%

"To be my own boss and set my own schedule."

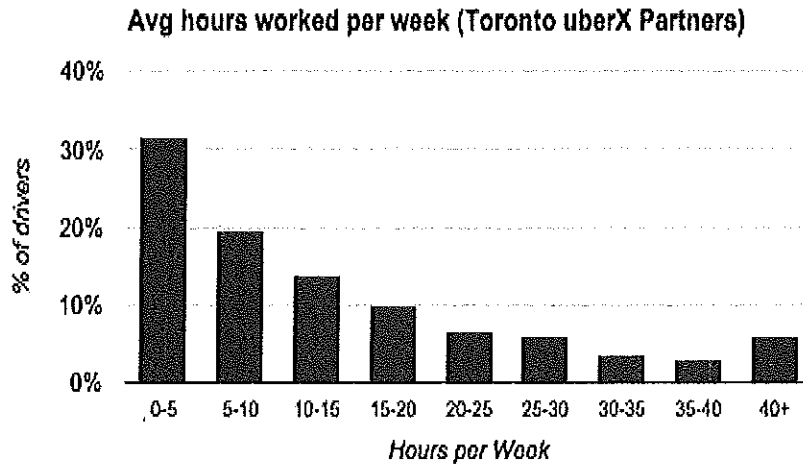
In the GTA, ridesharing has grown exponentially since its launch in Toronto in September 2014. Uber has since expanded ridesharing in Ontario to include Ottawa, Hamilton, Guelph, Kitchener, Waterloo, Cambridge, and London. Currently, there are over 13,000 uberX driver partners in the

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GTA⁷ taking advantage of the flexible earning opportunity afforded by Uber to supplement their income, while enjoying the ability to build the earning opportunity around other life commitments, including a part- or full-time job and family.



In Toronto, 50% of uberX driver partners drive less than 10 hours per week and the average “active” tenure on the Uber platform is 3 months. Partners earn \$23.40 in gross hourly earnings across all times and areas of the city, and typically complete 1.5 - 2.5 trips per hour while online.



From the chart above, what is notable is that a majority of Uber driver partners drive less than 10 hours a week on the Uber platform, with over 30% driving 5 or less hours per week. Less than 10% work full-time hours on the Uber platform (35 hours or more hours a week).

⁷ GTA here includes Aurora, Oshawa and Burlington.

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The Contingent Labour Market

While there are estimates that suggest that the non-traditional workforce will expand to encompass more of the workforce in the coming decades, Canada has not moved to a contingent workforce in recent years in terms of increases in self-employment, part-time work, or temporary work during the 2008-09 recession. According to Philip Cross:

The upward trend of part-time work ended in 1992, after which it oscillated between 18 and 19 per cent of total employment. Meanwhile, the share of self-employment peaked in 1997, followed by a slight downward trend.

Data on temporary workers only begin in 2000, but the small increase shown does not change the overall conclusion that Canada has not moved to a contingent labour force in recent years, with no increase in these types of jobs during the 2008-09 recession.⁸

What available labour market data does tell us, which corresponds with what we observe in the data outlined above with respect to Uber driver partners, is that:

- More than half of part-time workers are students or people 55 years of age or older who clearly express a preference for this type of work. Two-thirds of older part-time workers and more than 70 percent of part-time student workers do so by choice. In addition, half of temporary jobs are held by youths and persons over the age of 55.
- Self-employment is increasingly the choice of older workers starting a new career or business. More than one-third of the self-employed are people 55 years and older.
- Self-employment among older workers rose faster in provinces with tight labour markets, which suggests it is the "pull" of the benefits of working for yourself, and not the "push" of an absence of paid employment, which motivates self-employment.
- Only a small fraction of the "contingent" labour market are those between 25-54 years old, which is also the group most likely to be starting and/or raising families. Contingent jobs are held by both younger and older workers because they place a premium on

⁸ Philip Cross, "Part-time work is not an evil that is harming social well-being" (2015: Globe and Mail).
Online:
<<http://www.theglobeandmail.com/report-on-business/rob-commentary/part-time-work-is-not-an-evil-that-is-harming-social-well-being/article25536404/>>.

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flexibility, which allows them to study or enjoy other leisure based activities in semi-retirement.⁹

Conclusion

In summary, Uber driver partners are tapping into the sharing economy through Uber as a flexible way to use existing assets they possess (vehicles) and earn additional income to support themselves and their families.

"I was looking for something that would allow me to earn money, interact with people and fill in spaces in my day that would feel rewarding and give me joy. I also do not want to put myself on someone else's schedule. I want to have the freedom to take off and travel, do what I want to do, when I want to do it! Uber is that for me!"

ESTHER / TORONTO, ON



"I was looking for something to supplement my income, that was safe, fun and lucrative. It has helped me to develop more confidence in myself; the power to manage my life is exhilarating! Being able to decide when I work and how much I make, is very empowering and freeing, especially in an industry that is male dominated."

RACHEL / TORONTO, ON

The independent contract nature of being an Uber driver partner is what fundamentally enables Ontarians from all walks of life to tap into the sharing economy to earn extra income with the added benefit of flexibility to set their own schedule and work around the schedules of other part- and full-time jobs and family commitments.

The statements above from actual Uber Toronto driver partners themselves are a testament to the benefits of the sharing economy and why Uber is excited to continue to expand and offer opportunities to Ontarians in other parts of the province, to gain access to the same flexible economic earning opportunities a growing number of Ontarians are currently taking advantage of for themselves and their families, not to mention the broader economic benefits this brings to their communities.

⁹ Philip Cross, "The Recession's Impact on Canada's Labour Market" (2015: University of Calgary, The School of Public Policy, SPP Research Papers, Vol. 8, Iss. 28). Online: <http://www.policyschool.ucalgary.ca/sites/default/files/research/canadas-labour-market-crossfinal.pdf>.