



The Work Lives of Uber Drivers: Worse Than You Think

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To be an Uber driver is to work when you want. Or so Uber likes to say in recruitment materials, advertisements, and sponsored research papers: “Be your own boss.” “Earn money on your schedule.” “With Uber, you’re in charge.” The language of freedom, flexibility, and autonomy abounds, and can seem like a win for workers.

But the reality of our research shows something very different. The price of flexibility in the gig economy is substantial. Last year we conducted 40 in-person interviews and online surveys with Uber drivers in the Washington, D.C. metro area. Our project—which creates one of the first independent, qualitative datasets about the rideshare industry—found that the economic realities of precarious work are a far cry from the rosy promises of the gig economy. In exchange for flexible schedules, Uber retains near total control over what really matters for drivers, namely the compensation and costs of work.

Aman bought a Lincoln Town Car in 2012 after he been approved to drive for Uber Black, the brand-new private car service. As an Ethiopian immigrant in Washington, D.C., he had

supported himself by driving a taxi so he already had the chauffeur license that was then required. In 5 or 6 hours of driving, he earned what would have taken him 8 hours in a taxi. But, not long after he took on the \$35,000 loan for the car, Uber changed a policy about how old cars could be, and the Lincoln Town Car no longer qualified. Aman could no longer drive for Uber Black, and he could no longer make his car payments.



Protesting the recent 30% reduction in pay to UBER drivers, a protester covers his face at the protest rally in San Diego, California for fear of being deactivated for showing support against the Tech Corporations decision to reap profits of the back of their drivers.

Like Aman, many Uber drivers are on a debt-to-work pipeline, taking on a significant financial risk to get the chance to earn a wage. Drivers invest upfront nearly all of the costs of running a car service: the vehicle itself, maintenance, gas, insurance, and taxes. On top of that they incur tolls, parking tickets, “dead miles” (the distance driven while waiting for or driving to pickup a passenger), safety devices (dash cameras and mace), and rider extras (water and mints). And drivers have no guarantees about how much they will earn, when there will be surge pricing, or whether they will come down with an illness and be unable to work. One driver put it this way: “You’d be better off working at McDonald’s.”

The problem isn't just uncertainty about what drivers can earn. Some also end up in deeper financial trouble by leasing cars from Uber's Xchange program. One driver, Joan, got caught in this trap after she hit a pothole and damaged her car's suspension system. She spent nearly all the money she had to get the car fixed. Then, when efforts to repair the vehicle failed, she spent more to lease a car from Uber. While Xchange offers lower credit barriers than traditional lenders, the payments which Uber automatically deducts from drivers' paychecks, are high. Joan pays \$138, more than the national lease average of \$100 per week. Another driver we interviewed pays \$290 per week and, at the end of her 3-year lease, she will have paid two or three times her car's value. Think company town, or as one of our other drivers said, "indentured servitude." The costs of these subprime leases are exorbitant, but, according to [the Federal Trade Commission](#), Uber has actively deceived drivers about those costs. A [Massachusetts Attorney General](#) also found that Uber's former lender charged higher-than-allowed interest rates to drivers in low-income communities.

Along with significant financial risks, Uber drivers struggle to make sense of the company's constantly changing rules and opaque management practices. In the four years it has been operating in Washington, D.C., Uber has reduced its base rate for drivers several times, added a rider safety fee (and then increased it, calling it a booking fee), and raised the commission it takes from new drivers. The rules and details of work for Uber change, sometimes hourly. A majority of the drivers we interviewed reported that their wages have dropped so much that they will only drive during hours when there is likely to be surge pricing or in areas where other incentives give them a better chance of earning decent wages. One driver commented that "They're really playing games with [the rates], and...I don't like that." These [games](#), which are built into the heart of the Uber platform, have a point: to keep Uber drivers on the road and in the dark.

Workers do not know how much they earn largely because of the fluctuating algorithms on which pay is based and the numerous expenses they must deduct. Of the 40 drivers we interviewed and surveyed, only a handful knew what percentage of their fares Uber takes. The majority did not know how Uber determined how much drivers take home on a single ride (whether, for instance, the booking fee is removed before or after Uber takes its commission), whether they are required to buy commercial insurance, or how tax filing works at the end of the year.

Workers also have little information about company decisions. Drivers reported that Uber was not transparent about its policies on both minor issues, like how much a driver would be compensated when a passenger vomits, and major ones, like "time-outs" (penalties for not accepting the right number of rides in a certain time period) and de-activation (permanent suspension). It's a system of "smoke and mirrors," in the words of one driver.

Drivers also reported little recourse in disputes with Uber. One driver, Larry, was unsuccessful in recouping a fraction of a fare that he believed Uber wrongly took. He said, “I mean, I’m never going to find a lawyer who’s going to take on my case to help me get my \$4.71 back, and that’s part of the frustration.” This experience is not unique. According to [*the New York Times*](#), Uber has wrongly withheld tens of millions in wages from drivers, though the company has since agreed to repay some of the outstanding wages.

What can be done about the working conditions of Uber drivers? The biggest fix, though the least likely at the moment, would be for regulators to require Uber to treat its drivers as employees, which would mean the company would provide worker protections in line with national labor laws. An easier inroad would be for federal legislators and prosecutors to confront the subprime auto-lending practices that proliferate in the Uber world. Until these two steps are taken, cities should be wary of partnering with Uber for any kind of public transit provision, workers should be wary of driving for Uber, and rideshare users should patronize worker co-operative taxi fleets, or barring that, should tip their drivers — a lot.

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