

Flexibility and fairness:

What matters to workers
in the new economy

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This report produced by
AlphaBeta for Uber

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This report has been commissioned by Uber and prepared by AlphaBeta. Professor Jeff Borland of the University of Melbourne provided independent advice and guidance on the analysis. AlphaBeta is a research firm with offices in Sydney, Singapore, Canberra and Melbourne. AlphaBeta specialises in combining advanced analytical techniques and innovative data to generate new insights and fresh perspectives on the challenges facing business and government.

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An agenda to improve opportunities in the gig economy

1.2M Australians want more flexible work but most are forced into choosing between flexibility and stability



Uber provides flexible work for 60,000 drivers-partners

Of Australia's 60,000 Uber driver-partners

78%



joined Uber for the flexibility to **balance** their work, study and family commitments



Nearly **half** are parents of children under 18



3 in 5 wouldn't work without the flexibility Uber provides



Most driver-partners use Uber for supplemental income. Nearly half spend **<10 hours a week** on the app



Driving more opportunity in the gig economy



Businesses and government need to work together on an agenda that ensures gig economy work is both flexible and secure. **Opportunities include:**



enabling gig economy businesses to introduce **social benefits and insurance** packages that offer benefits for significant life events



creating new **lifelong learning and reskilling** opportunities that could help gig economy workers prepare for new careers while they work



creating a framework that encourages and supports **superannuation contributions** from multiple sources of work

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Executive summary

Australia's workforce has become increasingly diverse over the last 25 years, with more women, students and over-60s in jobs than ever before. This shift has driven demand for more flexible work, with almost six in 10 Australian workers wanting jobs that would also allow them to juggle study, parenting, side-businesses, travel plans, or increasing caring responsibilities as our population ages.

The gig economy is a new source of flexible work across a range of industries, business models and employment arrangements. One common feature of the gig economy is that workers have a high degree of control over their hours and location of work. Unlike full-time, part-time or even casual employees, gig workers can earn income whenever and wherever they want.

This report is a contribution to the national debate about the changing nature of work and the new opportunities offered by the gig economy. It is the first Australian study to combine Uber's administrative data with demographic surveys to better understand the experience of tens of thousands of Australians who are using the Uber app as a flexible earning opportunity.

As the gig economy becomes a larger part of the employment landscape, there is an opportunity to develop frameworks that better support both flexibility for independent workers, as well as the security and entitlements they value. Governments around the world are considering options to best support those working in the gig economy, while a number of platform providers have also started developing initiatives and programs to offer independent workers more support. This report identifies a number of areas where policy reform could help facilitate the continued growth of flexible job opportunities

through apps like Uber while also supporting safety, security, reward and opportunity.

Around 1.2 million Australians want more flexible work

Many Australians want more flexible work. Many of these people are juggling study, parenting or caring responsibilities. Others may have side-businesses, health constraints, second jobs or travel plans. All of these workers value flexibility; many could not work without it.

Around 5.5 million Australian workers are in 'low' or 'neutral' flexibility jobs and, of these, 1.2 million report that they want more flexibility.¹ For many of these workers the costs of having less flexibility will be foregone time with family and costs associated with outsourced care. In the gig economy, flexibility gives workers the opportunity to earn income while managing a range of other family, work or lifestyle commitments and constraints. Without these opportunities, Australians are faced with a choice between the costs of 'low flexibility' work or not being able to work and having lower income.

While job flexibility is valued by many Australian workers, it is not the only job attribute that matters. Workers rightly value the income security that traditional work offers – which consists of security of tenure and benefits and protections such as sick pay, holiday pay, parental leave and superannuation. The Household, Income and Labour Dynamics in Australia (HILDA) Survey reveals that nearly half of Australian workers express a preference for both job flexibility and security. Unfortunately, the Australian economy is not generating enough of these flexible and secure jobs.

As the gig economy grows, more flexible income opportunities for a growing number of workers will be available but it is critical that this comes with the securities and benefits that are fundamental pillars of the Australian industrial relations system and reflects Australian expectations of what it means to work in a fair environment.

Uber provides opportunities for more than 60,000 driver-partners who value the flexibility it offers

Uber provides flexible earning opportunities for more than 60,000 driver-partners in Australia. Nearly four in five Uber driver-partners say they chose to drive using the Uber app because it gives them flexibility to balance work and family life. More than three in five Uber driver partners say that they could not work in traditional roles that do not offer this type of flexibility.

Flexibility in work comes in different forms. For people that drive using Uber, it means the ability to set their schedules and adjust them in real time. Driver-partners can literally log on and off whenever they wish. The value of Uber's flexibility is particularly important for driver-partners juggling other work or family commitments. About a quarter (26%) of driver-partners who use the Uber app also have a full-time job and are using Uber for supplemental income. Another 15% of driver-partners are generating income to support them while they develop their own business, 10% are students, 6% are retirees earning some extra income and 5% are driving with Uber while also caring for a family member or loved one. In addition, 48% of driver-partners are parents with one or more children of dependent age.

1. 'Low' flexibility workers are those that gave their current job a score of 1-3 for flexibility in the HILDA survey, on a scale of 1-7. 'Neutral' flexibility workers gave their current job a score of 4.

Executive summary

Flexibility is a strong driver of job satisfaction

Uber driver-partners are satisfied across a range of job attributes – flexibility, the work itself, hours, job security and remuneration. Satisfaction is greatest with the flexibility that is available to driver-partners using the app (average of 7.94 on a scale of 0-10) and satisfaction with the work itself.

Driver-partners using Uber are generally satisfied with their jobs. They report average job satisfaction of 6.7 (out of 10). However, job satisfaction is highest for those driver-partners for whom flexibility is most important, and lower for those for whom it is less important. However, even the minority of driver-partners for whom flexibility was not a driver of their choice to drive with the app, are net satisfied on average.

Most drivers use Uber as an additional source of income and their earnings reflect when and where they choose to work

For the vast majority of driver-partners, Uber is a supplemental source of income. Nearly half of all driver-partners spend a maximum of 10 hours per week on the app². A minority have weekly hours on the Uber app that compares to full-time work, with just 14% of partners driving for 30 hours per week or more.

In Sydney, the average driver-partner receives \$29.46 (i.e. after Uber's service fee) for every hour on the app. However, this necessarily includes time spent 'commuting' between the driver-partner's home and target work area. For the broader workforce, the time associated with commuting is significant. The average commute for Sydney-siders has been estimated to be between

35 and 39 minutes each way, and 48 minutes for users of public transport³. Were estimates of these workers' earnings per hour to include the time associated with commuting it would have a material impact. To put Uber driver-partner earnings in context it is important to consider the impact of commuting. If we remove estimated 'commuting hours' from hours online when calculating Uber driver-partner earnings, the average hourly earnings rises by \$2.65 to \$32.11.

Driver-partners have total autonomy and decide when and where to drive and for how long. This means earnings vary depending on whether drivers are active at times and in places where demand is highest. For example, driver-partners who use the app in peak times of the week, in areas of high demand, or work more in the busiest months of the year (eg. November and December), earn more than the average.

The average costs incurred by a driver-partner (including GST, fuel, insurance, maintenance and depreciation) is \$8.46/hour in Sydney. Accordingly, the average earnings per hour, net of costs, is estimated to be \$21.00 per hour (or \$23.35 per hour after removing 'commute' hours).⁴

As the gig economy grows, it will provide flexible income opportunities for a growing number of Australian workers. It will also be important to ensure that the gig economy can offer security to workers as well.

An agenda to support opportunity, flexibility and security for gig economy workers

Uber has already introduced a range of operational innovations

aimed at providing its partners with greater support and peace of mind, while preserving the flexibility they value.

In Australia, Uber has launched a new package that has seen Australian driver and delivery partners provided with support through an insurance policy, at no additional cost to them, for accidents while on a trip.

In a similar way, Uber delivers protection for accidental injuries for over two million people around the world that use the app to get work.

Uber has also made investments in learning and development in the United States for partners and their family members, in skills and training in France including language training and business management advice and in extensive social insurance products in Europe including payments for maternity and paternity.

However, more needs to be done. As the gig economy grows, apps like Uber and governments have a shared responsibility to work together to strike an appropriate balance between new work opportunities that provide flexibility and security for all participants. This report identifies seven areas in which policymakers and platforms like Uber can work together in pursuit of that goal.

2. 'Hours is calculated based on all online time. The number of weeks included in the denominator is the number of weeks in the period the individual was a user of the app, defined as the number of weeks from their first week of use to their last week of use in the relevant period. As opposed to using an average hours per week contingent on working, this measure reflects the tendency for driver-partners to have weeks where they work zero hours in amongst other weeks where they work. However, it also takes account of the fact that many drivers become a user of the app for the first time part way through any study period, or may cease to be a user part way through a period.

3. BITRE (Bureau of Infrastructure, Transport and Regional Economics) (2016). Lengthy commutes in Australia, report 144, BITRE, Canberra

4. Cost per hour based on excluding 'commute' hours is \$8.76

Executive summary

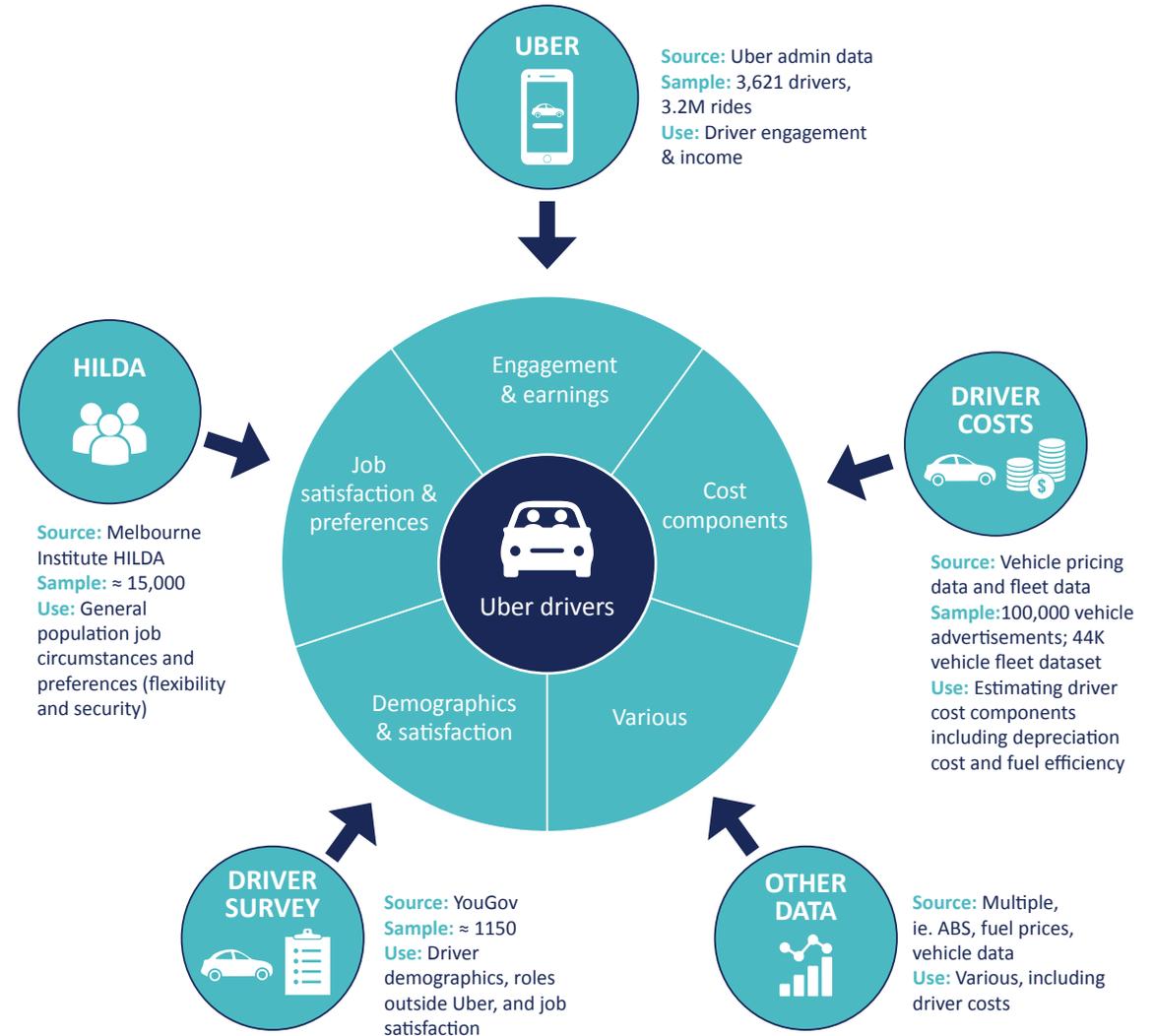
This report is based on administrative data on 3.2 million Uber rides and a survey of driver-partners using the Uber app

This report is based on a combination of data sources. Uber provided administrative data on a random sample of 3,621 Sydney driver-partners using the Uber app, who together completed 3.2 million rides. This data was used to understand driver-partners' engagement with the platform and their earnings per hour. This information was supplemented with a survey of driver-partners to develop a robust picture of demographics, backgrounds and roles outside Uber.

AlphaBeta used HILDA data to establish job circumstances and preferences in terms of flexibility and security, in the general population.

EXHIBIT 1

Data sources used in this report.



1. Around 1.2 million Australians want more flexible work

The desire for job flexibility is significant and growing

Many Australians want more flexible work. Many of these people are juggling study, parenting or caring responsibilities. Others may have side-businesses, health constraints, second jobs or travel plans. All of these workers value flexibility; and many of them could not work without it.

The need for greater flexibility in employment is underpinned by a number of long-term structural changes in Australia's workforce landscape including female workforce participation, ageing populations, and growing numbers of post-secondary students. The workforce participation rates of these groups have grown far more than that of the wider population. In the 26 years since 1992, Australia's workforce participation rate grew 7 percentage points, while that of women, persons over 60, and students grew 12, 12 and 13 percentage points respectively.⁵ These changes have seen an influx of people into the labour market who have different working needs and have produced a need to re-balance household labour and caring responsibilities, which in turn supports a broader need for flexibility.

Many of these workers have taken on part-time work. In 1992 less than one in five Australians had a part time job, but last year it was nearly one in three. But millions of Australians remain in jobs without enough flexibility. The HILDA survey reveals that around 5.5 million Australian workers are in 'low' or 'neutral' flexibility jobs (around 49% of all workers) and, of these, 1.2 million report that they would prefer more flexibility.⁶

5. Participation rate here refers to employment to population ratio.

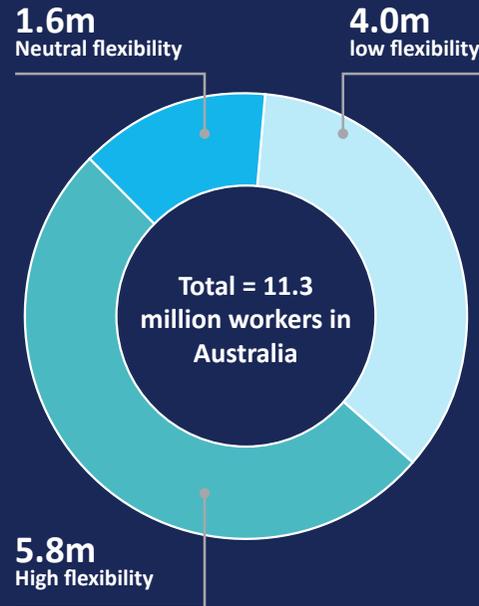
6. Workers who "prefer more flexibility" are those with 'low' or 'neutral' flexibility jobs and report being dissatisfied with "flexibility to balance work and non-work commitments", (i.e. score 0-4 on a scale of 0-10) in the HILDA survey.

EXHIBIT 2

1.2 million Australian workers want more flexible work

5.5 million Australians are in 'low' or 'neutral' flexibility jobs...

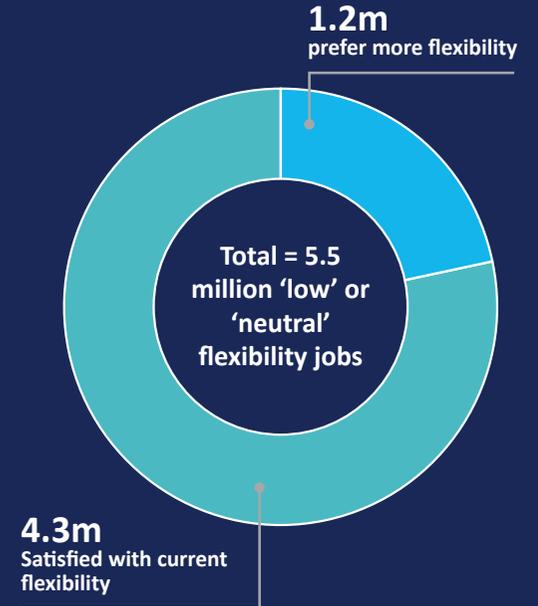
Number of workers by job flexibility, million



NOTE: 'Low' flexibility workers are those that reported that their current job has low flexibility (i.e. a score of 1-3 on a scale of 1-7); 'Neutral' flexibility workers are those that reported that their current job has neutral flexibility (i.e. a score of 4 on a scale of 1-7)
SOURCE: HILDA, AlphaBeta

... of which 1.2 million say they want more flexibility

Number of workers by preference, million



NOTE: "Prefers more flexibility" are workers who have 'low' or 'neutral' flexibility jobs and report being dissatisfied with "flexibility to balance work and non-work commitments", (i.e. score 0-4 on a scale of 0-10).
SOURCE: HILDA, AlphaBeta

1. Around 1.2 million Australians want more flexible work

More Australians are seeking sources of income that can fit around a range of family, work and lifestyle commitments

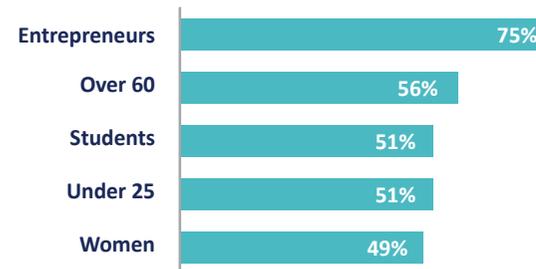
Job flexibility is attractive for many categories of workers, including entrepreneurs, older workers, students, and parents. Low wage growth (which has averaged 2-2.5% p.a over the last 5 years, well below the long term trend)⁷ as well as the rise of casual and part-time jobs, has seen many Australians turn to working multiple jobs to make ends meet, in turn driving demand for flexible work to provide supplemental income. According to 2018 data from the Australian Bureau of Statistics, up to 960,000 Australians are juggling two or more jobs, with people seeking out multiple income-earning opportunities to allow for greater discretionary spending or to enable them to build up their own small business ventures.

EXHIBIT 3

Many Australians want flexible sources of income that they can manage around work, family and lifestyle commitments

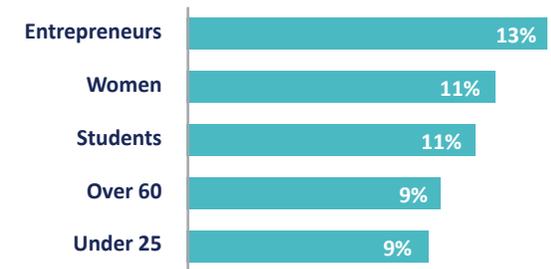
Categories of workers with flexible jobs

% of workforce



Workers who do not have but want flexible jobs

% of workforce



NOTE: "In a flexible job" means workers that reported that their current job has high flexibility (i.e. score of 5-7 on a scale of 1-7). "Wants a flexible job" are workers who have low flexibility but report dissatisfaction with their level of flexibility (i.e. a score of 0-4 on a scale of 0-10). Entrepreneurs defined as self employed/employer with employees

SOURCE: HILDA, AlphaBeta

7. ABS Wage Price Index, 6345.0

1. Around 1.2 million Australians want more flexible work

Australians don't want to choose between flexibility and security

While flexibility at work is valued by many Australian workers, income security is also important. Accordingly, many workers value security of tenure and entitlements that provide protection and support for unforeseen circumstances like sickness, time with family like holidays or becoming new parents, and even when it comes time to retire.

HILDA data provides insight into how Australian workers value different characteristics of their jobs. The data shows that 14% of Australian workers express a strong preference for flexibility and 29% express a strong preference for job security but, importantly, many more workers (45%) express a preference for both flexibility and security.⁸ For many Australian workers, flexibility and security should not be an 'either/or'; they would prefer not to have to choose between them when selecting a job.

Despite the growing preference for jobs with both flexibility and security, the Australian economy is not generating enough jobs with both these traits. Using the HILDA data we categorise all Australian jobs according to their level of security and flexibility. Since 2008, the number of 'high security and high flexibility' jobs has increased just 5%, despite rapidly rising demand for them.

There has also been slow growth in jobs with 'high security and low or neutral flexibility' (up just 3% since 2008), due in part to the decline in occupations such as factory workers (-13%) and machine operators (-6%). The fastest jobs growth has been in 'low flexibility and low security' occupations which have increased by 29% since 2008. The growth in this category has been associated in growth occupations such as carers and aides (+66%) and hospitality workers (+41%).

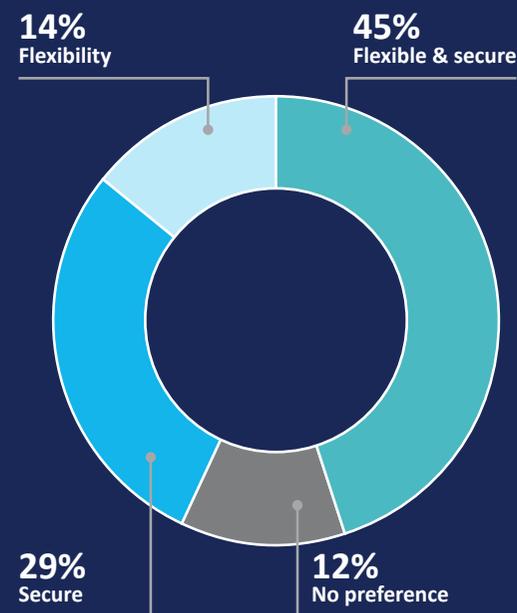
8. The methodology for classifying worker preferences in respect of security is described in the appendix, including the language of the relevant HILDA questions. Given the language of the questions, respondents may be considering security in the narrower sense of security of tenure, however they may also be contemplating broader considerations that impact on income security.

EXHIBIT 4

Many Australians want jobs that are both flexible and secure; but our economy isn't creating enough of these jobs

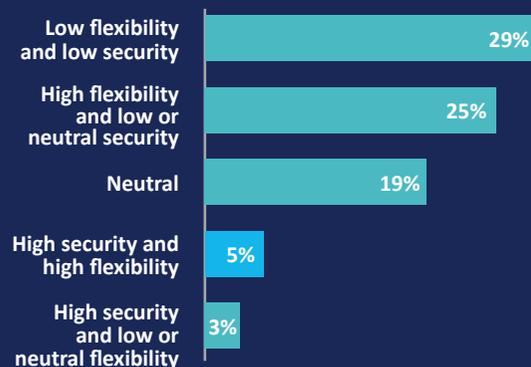
Nearly half of all Australian workers value both flexibility and security in their jobs...

% of workers with a strong preference for job characteristics



...but jobs with both high security and high flexibility are among the slowest growing in our economy

Growth in the number of jobs by category, 2008-2016, %



NOTE: See appendix for methodology
SOURCE: HILDA, AlphaBeta

2. Uber provides opportunities for more than 60,000 driver-partners in Australia who value the flexibility it offers

Many driver-partners couldn't work without the flexibility Uber offers

Uber provides economic opportunities for more than 60,000 driver-partners in Australia. Using the Uber app enables these workers to earn income when and where they want, fitting their work in with their preferences and commitments. The type of flexibility Uber offers driver-partners is rare. It is qualitatively different from the flexibility of a typical casual or part-time worker. There are no set shifts, there are no set workplace locations, there are no bosses or managers. Driver-partners choose where, when and how much they work, and can vary those choices from week to week, day to day, and within the course of a day.

This flexibility is very highly valued by driver-partners using Uber. Nearly four in five driver-partners say they chose to drive using Uber because it gives them flexibility to balance work and family life. And more than three in five driver-partners say that they could not work for a traditional company that did not offer this type of flexibility. This is consistent with the findings of Chen and Chevalier in the US market, who find Uber driver partners derive significant financial value from the flexibility of the platform, and would significantly reduce hours without it.⁹

Today 48% of Uber driver-partners have one or more children of dependent age, so many of those using the Uber app are parents (with caring responsibilities) who are seeking greater flexibility to meet family requirements.

Around 42% of driver-partners were not in full-time work immediately prior to commencing using the Uber app. Nearly 17% were in part time work, 3% were students, 4% were retired and 7% were unemployed. Of those that were unemployed, more than 70 percent had been without work for more than 3 months.

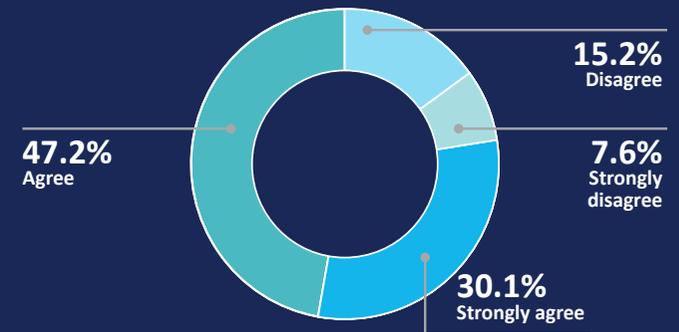
9. Chen, M.K, Chevalier, J.A, Rossi, P.E and Oehlsen, E. (2017). The value of flexible work: evidence from Uber drivers. Working Paper 23296, National Bureau of Economic Research

EXHIBIT 5

Many Australians want flexible sources of income that they can manage around work, family and lifestyle commitments

Nearly 4 in 5 Uber driver-partners agree that they value the flexibility in the Uber platform

Survey Question: "I partnered with Uber to have more flexibility in my schedule and balance my work life and family"



3 in 5 Uber driver-partners agree they wouldn't work for a 'traditional company' without flexibility

Survey Question: "I don't want to work for a traditional company in case I lose the flexibility I have"



SOURCE: Uber driver-partner survey, AlphaBeta

2. Uber provides opportunities for more than 60,000 driver-partners in Australia who value the flexibility it offers

Most driver-partners using Uber are juggling multiple work and family commitments

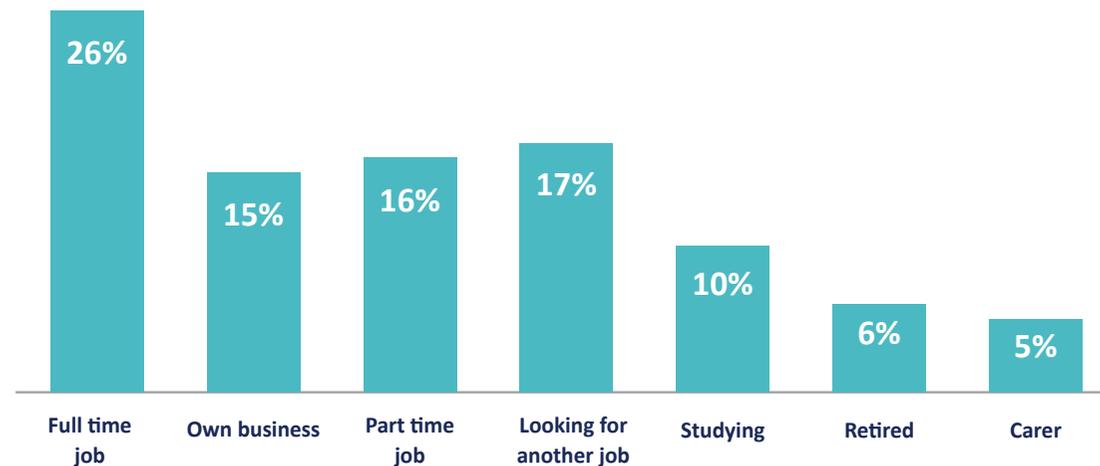
Uber's flexibility is particularly important for driver-partners juggling other work or family commitments. Four in ten driver-partners using Uber use the platform to earn supplemental income on top of their full-time or part-time jobs. Another 15% of driver-partners are generating income to support them while they develop their own business, 11% are students, 6% are retirees earning some extra income and 5% are driving using Uber while also delivering care to a family member or loved one.

EXHIBIT 6

Flexibility helps Uber driver-partners fit their work around other commitments

Work, family and lifestyle commitments of Uber driver-partners

% of drivers surveyed



SOURCE: Uber driver-partners survey, AlphaBeta

2. Uber provides opportunities for more than 60,000 driver-partners in Australia who value the flexibility it offers

Many driver-partners using Uber would cease to drive if there was a fixed schedule

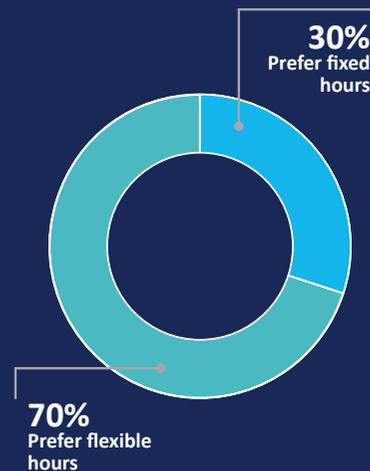
For many driver-partners using Uber, flexibility is the main drawcard. When asked whether they prefer a flexible or fixed hours arrangement, 70% said they would prefer to retain their current flexibility. Of those who would prefer flexibility, more than half said that flexibility was essential and if they were forced to move to a fixed schedule they would cease to drive using Uber. Moreover, a majority of those who might accept a fixed schedule indicated they would need to be paid at least 50% more to move from their flexible hours to a fixed schedule, with many indicating they would need to be paid at least 70% more.

EXHIBIT 7

Many Uber driver-partners would not drive if there was a fixed schedule; many others wouldn't move to fixed hours for less than 50% more pay

7 in 10 driver-partners prefer flexible hours to a fixed schedule

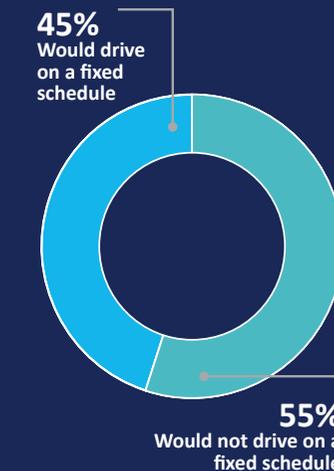
Question: "Would you prefer to work fixed hours rather than the fully flexible hours you have now"



SOURCE: Uber driver-partner survey, AlphaBeta

55% of partners preferring flexible hours would not drive fixed hours*

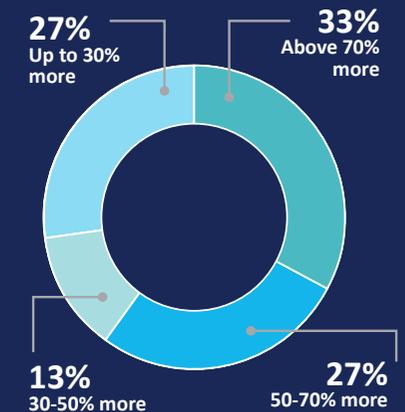
Question: "Would you accept a fixed schedule for your Uber hours"



*NOTE: Driver-partners who said that no amount of additional money would cause them to continue to drive under a fixed schedule

Many driver-partners value flexibility at >50% of their total pay

Question: "How much more would you need to be paid to move to fixed hours"



NOTE: This sample includes only those driver-partners who said that an amount of additional money would cause them to continue to drive under a fixed schedule

2. Uber provides opportunities for more than 60,000 driver-partners in Australia who value the flexibility it offers

The preference for flexibility that emerges from driver-partner surveys is also supported by Uber administrative data which shows that most driver-partners exercise significant flexibility in the hours they work. Average hours worked and the composition of those hours vary considerably across driver-partners. Individual driver-partners may work intensively for a few weeks, then cease to drive much at all for the subsequent weeks. Overall, their quantum and mix of hours vary from week to week.

For example, nearly a quarter of Uber driver-partners average 10-20 hours per week. However, of all the weeks for driver-partners in this cohort, only 33% involved working 10-20 hours per week. Thirty-eight percent of weeks involved less than 10 hours per week, and 29% of weeks were more than 20 hours per week. Across all driver-partners, only 13% work a consistent number of hours per week.¹⁰ This is consistent with the observations of Hall and Krueger in the US market, who found that the hours worked by driver-partners vary considerably from week to week.¹¹

The same pattern emerges for driver-partners' choice in terms of mix of hours from week to week. Only 10% of driver-partners work a consistent mix of weekend and weekday hours.¹² Instead, many choose to work the more lucrative weekend evenings only when it suits them. This finding is consistent with Chen and Chevalier, who found that in the US market 43% of drivers vary their work schedule type from one week to the next.¹³

Driver-partners using the Uber app don't want to lose flexibility, but they also want more security

As the gig economy grows, more flexible income opportunities are available for a growing number of Australian workers, but it is critical that these opportunities come with the securities and benefits that are fundamental pillars of the Australian industrial relations system. It should reflect Australian expectations of what it means to work in a fair environment.

Uber's survey of driver-partners showed that most driver-partners (61%) believe the flexibility to determine their own working hours is more important than having guaranteed pay and entitlements. However, there is also a cohort of driver-partners (39%) who place less value on flexibility relative to those benefits and protections. These driver-partners still value flexibility but they would prefer not to have to forego the income security that comes through benefits and protections.

10. For quantum of hours per week, this is defined as working within their average band 90%+ of weeks on the platform during the period, over a 3 month period.

11. Hall, J. V., & Krueger, A. B. (2018). An analysis of the labor market for Uber's drivers in the United States. *ILR Review*, 71(3), 705-732.

12. For mix of hours per week, this is defined as working within a 10% range (+/- 5%) of their average weekday/weekend mix 90%+ of weeks worked, over a 3 month period.

13. Chen, M.K, Chevalier, J.A, Rossi, P.E and Oehlsen, E. (2017). The value of flexible work: evidence from Uber drivers. Working Paper 23296, National Bureau of Economic Research

3. Flexibility is a strong driver of job satisfaction

Driver-partners are satisfied

Uber driver-partners are generally satisfied with their work. Our survey asked driver-partners to state their satisfaction across a range of job attributes including flexibility, the work itself, hours, job security and remuneration. Each of these attributes scored in the top half of the index.

Satisfaction is greatest with the flexibility that is available to driver-partners using the app. Driver-partners report average satisfaction of 7.9 with this attribute (on a scale of 0-10). Satisfaction is also high with the work itself, with reported satisfaction of 7.2.

Flexibility is a strong driver of job satisfaction for driver-partners

Job satisfaction is highest for driver-partners who value flexibility. Overall job satisfaction is 6.7 among all drivers. However, the driver-partners who strongly agree with the statement that “I partnered with Uber to have more flexibility in my schedule and balance my work life and family” are considerably more satisfied, with average job satisfaction of 7.7. Driver-partners who agree with the statement had average job satisfaction of 6.5. For the minority of driver-partners who disagree with the statement, job satisfaction is lower – though it should be noted that even this group of driver-partners is net satisfied on average.

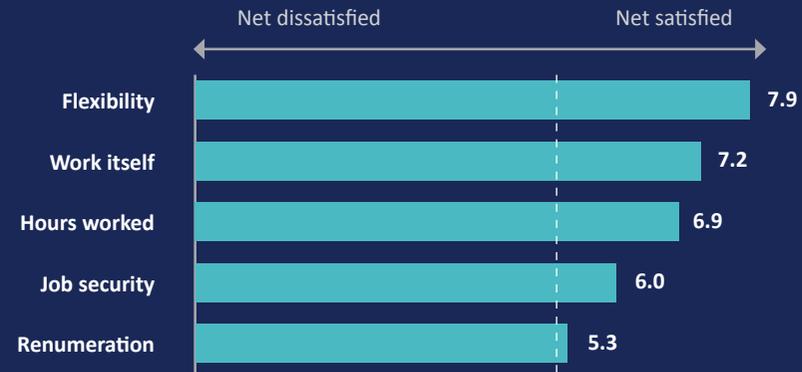
Professional flexibility was traditionally only open to a very small spectrum of the workforce, ie. professions like barristers, surgeons or architects. Today, this flexibility and independence can be made accessible to everyone. For those driver-partners who value flexibility the most, job satisfaction is highest.

EXHIBIT 8

Flexibility is a strong driver of job satisfaction for Uber driver-partners

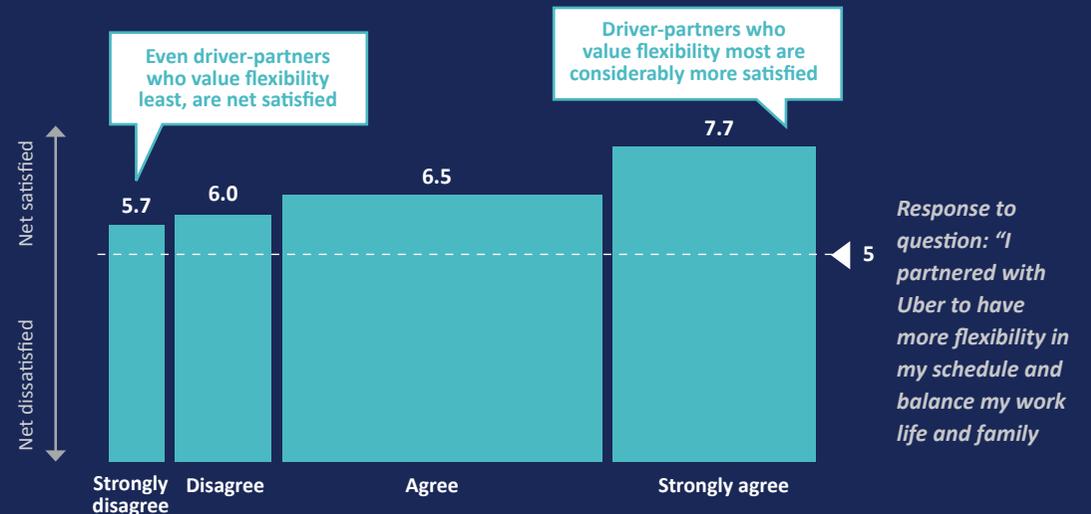
Uber driver-partners are net satisfied on all attributes (particularly flexibility)

Average satisfaction score (0-10 scale), Uber driver-partners



Views on flexibility drive Uber driver-partner job satisfaction

Average satisfaction score by importance of flexibility as a reason for driving with Uber (0-10 scale)



SOURCE: Uber driver-partner survey, AlphaBeta

4. Most driver-partners use Uber as an additional source of income and their earnings reflect when and where they choose to work

Uber is mainly a source of supplemental income for driver-partners

For most driver-partners, Uber is a supplemental source of income rather than their primary source of income. Nearly half of all driver-partners spend a maximum of 10 hours a week on the app (all online time) and nearly three quarters of driver-partners are on the app for fewer than 20 hours per week. For these driver-partners, earnings from the Uber app is supplemental income, a way to save up for a holiday or other expense, or just extra cash to help make ends meet. Many of these people work intermittently, driving intensively for a few weeks then not at all for a period. Others consistently fit in a few hours driving each week when other work and family commitments permit.

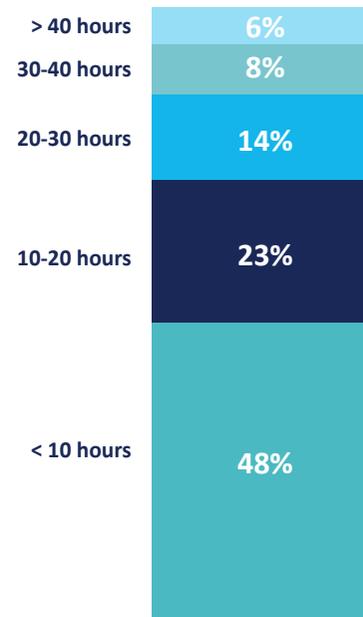
Only a minority of driver-partners have weekly hours on the Uber app that compares to full-time work. Just 6% of driver-partners work 40 hours per week or more and just 8% work between 30 and 40 hours per week.

EXHIBIT 9

Uber is mainly a source of supplementary income for driver-partners: almost half work less than 10 hours per week; and just 1 in 7 work more than 30 hours

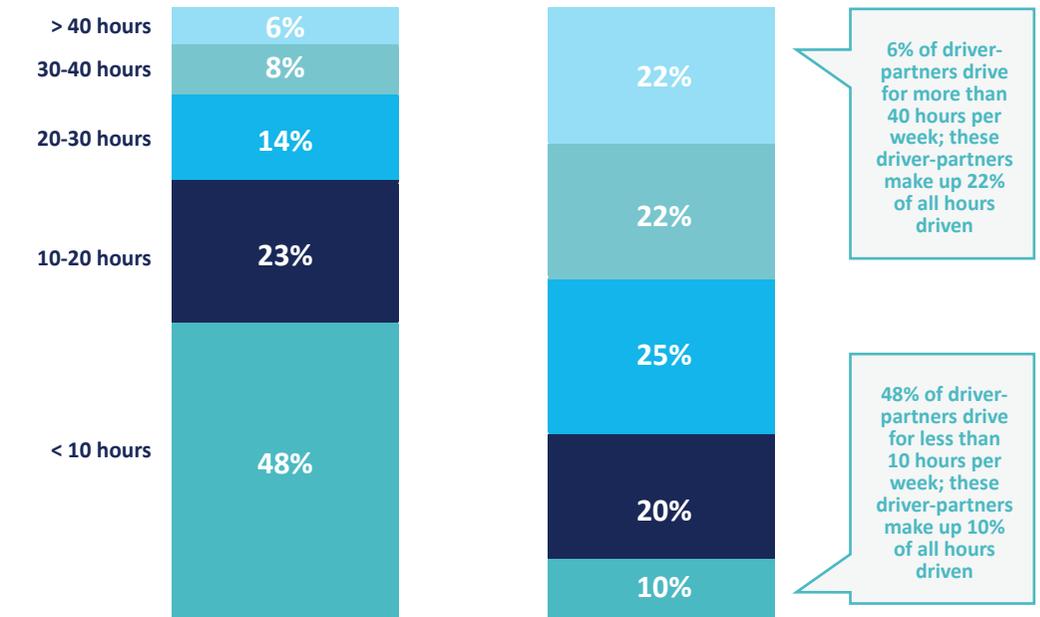
Uber driver-partners

% of driver-partners, by hours driving per week



Uber hours driven

% of hours driven, by category of hours driving per week



Hours

Drivers

4. Most drivers use Uber as an additional source of income and their earnings reflect when and where they choose to work

The average pre-cost earnings of a driver-partner using Uber is \$29.46/hour in Sydney

For this study we accessed data on 3,621 driver-partners using Uber, which account for 3.2 million rides. We examined Sydney as it is Australia's most mature market.

In Sydney, the average driver-partner receives \$29.46 after Uber's service fee for every hour they spend on the app.¹⁴ From these earnings the driver-partner must pay their costs (including GST, fuel, insurance, maintenance and depreciation) which are discussed in the next section.

We arrived at this pre-cost earnings estimate of \$29.46 by dividing the money driver-partners received by the time they spent online. But many driver-partners log in from home, although they may intend to work in a more densely populated area like the CBD. We estimate that this accounts for more than 8% of driver-partner hours on the Uber app; that is, driver-partners spend approximately one hour online and commuting between their home and target work area and vice versa for every 12 hours online. To put earnings in context it is important to consider the impact of commuting. For the broader workforce, the time associated with commuting is significant. The average commute for Sydney-siders has been estimated to be between 35 and 39 minutes each way. For users of public transport the estimate is higher, at 48 minutes.¹⁵ Were estimates of these workers' earnings per hour to include the time associated with commuting it would have a material impact. For Uber driver-partners,

calculating hours based on all time spent online necessarily captures time commuting. If our earnings figures are adjusted to remove these 'commuting hours' from the calculation of Uber earnings, the average hourly earnings would rise by \$2.65 to \$32.11.

It should also be noted that the average earnings per hour described here are likely to be understated, due to the role of 'dual-apping', where driver-partners use multiple rideshare apps. In the case of Uber driver-partners, survey evidence suggests 40% use multiple rideshare apps to earn income. If some or all of the time spent on other rideshare apps overlaps with time spent online on the Uber app, then the real earnings per hour of these driver-partners during will be higher than can be seen from Uber data only. However, the value associated with this activity has not been quantified for this report.

EXHIBIT 10

Uber driver-partner earnings average \$29.46 per hour before costs in Sydney. Adjusting for 'commute' time earnings are \$32.11 per hour

Driver-partner pre-cost earnings in Sydney

\$ per hour, pre cost, in Sydney



SOURCE: Uber administration data, AlphaBeta

14. This measure of 'pre-cost' earnings is the earnings received by drivers before they pay costs. Estimate excludes driver-partners who worked <50 hours during the 12 month period examined.

15. BITRE (Bureau of Infrastructure, Transport and Regional Economics) (2016). Lengthy commutes in Australia, report 144, BITRE, Canberra

4. Most drivers use Uber as an additional source of income and their earnings reflect when and where they choose to work

Earnings vary as driver-partners exercise their flexibility to work where and when they want

While the average driver-partner using Uber in Sydney earns \$29.46 per hour before costs, there is variation in earnings around this average.

Driver-partners using the Uber app use the platform's flexibility to tailor their work to their needs, choosing when they work, where they work, and how much they work. These decisions, which driver-partners have complete autonomy over and unilaterally determine, affect the driver-partners' earnings and their earnings per hour.

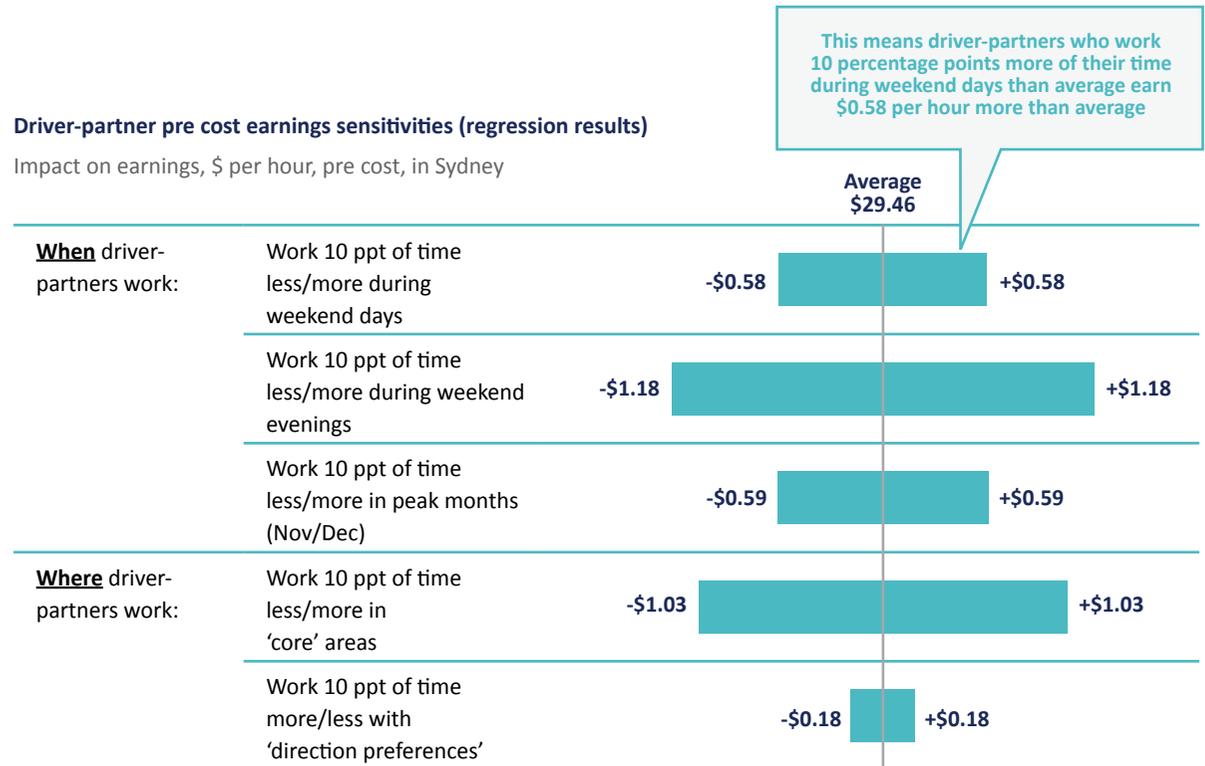
In order to isolate and test the factors that affect earnings per hour, and to understand how driver-partners' use of the flexibility offered by the app influences earnings, we conducted an ordinary least squares regression that related the earnings per hour of each of the driver-partners in our sample to choices about where and when they work, how much they work, and other factors including tenure and demographics.

EXHIBIT 11

Uber driver-partners can impact their earnings by exercising their choice of when and where to work

Driver-partner pre cost earnings sensitivities (regression results)

Impact on earnings, \$ per hour, pre cost, in Sydney



NOTE: 'Direction preferences' is a setting that drivers can use to control where they drive.

SOURCE: Uber administration data, AlphaBeta

4. Most drivers use Uber as an additional source of income and their earnings reflect when and where they choose to work

The most significant differences in earnings come from the choices driver-partners make about when and where to work, as drivers use the flexibility offered by the Uber app to make trade-offs that reflect their circumstances.¹⁶

In particular, driver-partners' decisions about when to work substantially affect their income. For example, driver-partners earn more if they choose to work in periods when there is high demand from riders relative to supply, including weekends and weekend evenings. These periods provide driver-partners with more trips per hour.

Driver-partners who work 10 percentage points (ppt) more of their time than average during weekend days or weekend evenings earn \$0.58 and \$1.18 more per hour respectively than average. Also, driver-partners who choose to work in the high demand months of the year (November and December) earn more than those that do not. Driver-partners who work 10 ppt more of their hours in these months than average earn \$0.59 per hour more on average.

Similarly, where a driver-partner works substantially affects their income. Those who work 10 ppt more of their time in the 'core areas' of demand than the average can earn \$1.03 more per hour. Core areas of demand are the busiest areas that cumulatively contribute two-thirds of trip demand. In Sydney these areas include the CBD, the Eastern Suburbs, the Inner West, the Lower North Shore, Manly, Burwood and Parramatta. Equally, driver-partners may choose to trade-off these extra earnings in order to focus their driving in other

locations, perhaps nearer their home, for reasons that reflect their personal circumstances and non-work commitments.

Driver-partners using the Uber app can drive wherever they choose (provided the app is available) and in addition, the app allows driver-partners to set preferences over where they work and what direction they are willing to travel. Driver-partners can use these settings to remain in a particular region, or to ensure that they only receive trips towards their home when they want to stop working. Driver-partners who use these settings 10 ppt more of their time than average earn \$0.18 less per hour than others.

There are also times in particular locations when due to demand exceeding supply trips will incur 'surge' pricing where the rider pays a higher price and the income of the driver is also higher. A driver-partner's ability to determine what proportion of their trips incur surge pricing is limited – surge pricing is dynamic and can't be guaranteed. However, the incidence of surge pricing means driver-partners who drive at the busiest times of the week and in the core areas of demand are likely to see the benefit of it.

Driver-partners incur average costs of \$8.46 per hour in Sydney, so average earnings net of costs are \$21.00 per hour

For the purpose of this study we used an 'incremental costs' approach to estimate the cost per hour for driver-partners using Uber.¹⁷ This involves estimating variable costs like

fuel and maintenance directly, and only including fixed costs associated with items like registration or insurance where there is an incremental cost directly attributable to being a ride share driver-partner.

In Sydney, the total incremental cost per hour of driving using Uber averages \$8.46.¹⁸ This accounts for GST, fuel, maintenance, vehicle depreciation, and the additional cost for comprehensive insurance for rideshare driver-partners. However, it does not include the costs of registration or CTP, because in Sydney these costs for driver-partners are the same for rideshare as for other vehicles.¹⁹

To estimate fuel costs, we assumed fuel efficiency of 13.25 kilometres per litre and fuel cost of \$1.41 per litre.²⁰ Maintenance is assumed to cost \$0.08 per kilometre. To estimate depreciation cost, we employed a two-step methodology. We used a web-crawler to scrape price, make, model, age, distance driven, dealership, engine, and other data for over 100,000 car advertisements on carsales.com.au. We then developed a statistical model to price cars based on make, model, year, distance driven and other car features, and forecast the depreciation schedules for driver-partners using the Uber app and other drivers. Using this model, we estimate the incremental depreciation cost due to Uber driving to be \$0.64 per hour.

It is again important to note that this does not include the effect of dual-apping. If a driver-partner uses multiple rideshare apps, and some of the hours on other apps do not overlap with those on the Uber app, then 'fixed costs' like the additional cost

16. Full results for the regression analysis are included in the Appendix.

17. Other reports sometimes use a 'proportional approach', which estimates variable costs in the same way as the incremental approach, but allocates fixed costs based on how often the car is used for Uber versus its time spent in private use. We find the incremental approach more accurate in representing costs actually incurred by driver partners due to their Uber driving.

18. Cost per hour based on excluding 'commute' hours is \$8.76

19. Registration costs \$409 per year. CTP has an annual fee of \$490 per year. None of this is incremental for driver-partners because it is the same for rideshare as for other vehicles. There is an additional CTP cost for rideshare activity, however this is borne by the passenger.

20. Value currently used for this estimate is the efficiency of a non-hybrid Camry; Average weekly price from AIP over the time period.

4. Most drivers use Uber as an additional source of income and their earnings reflect when and where they choose to work

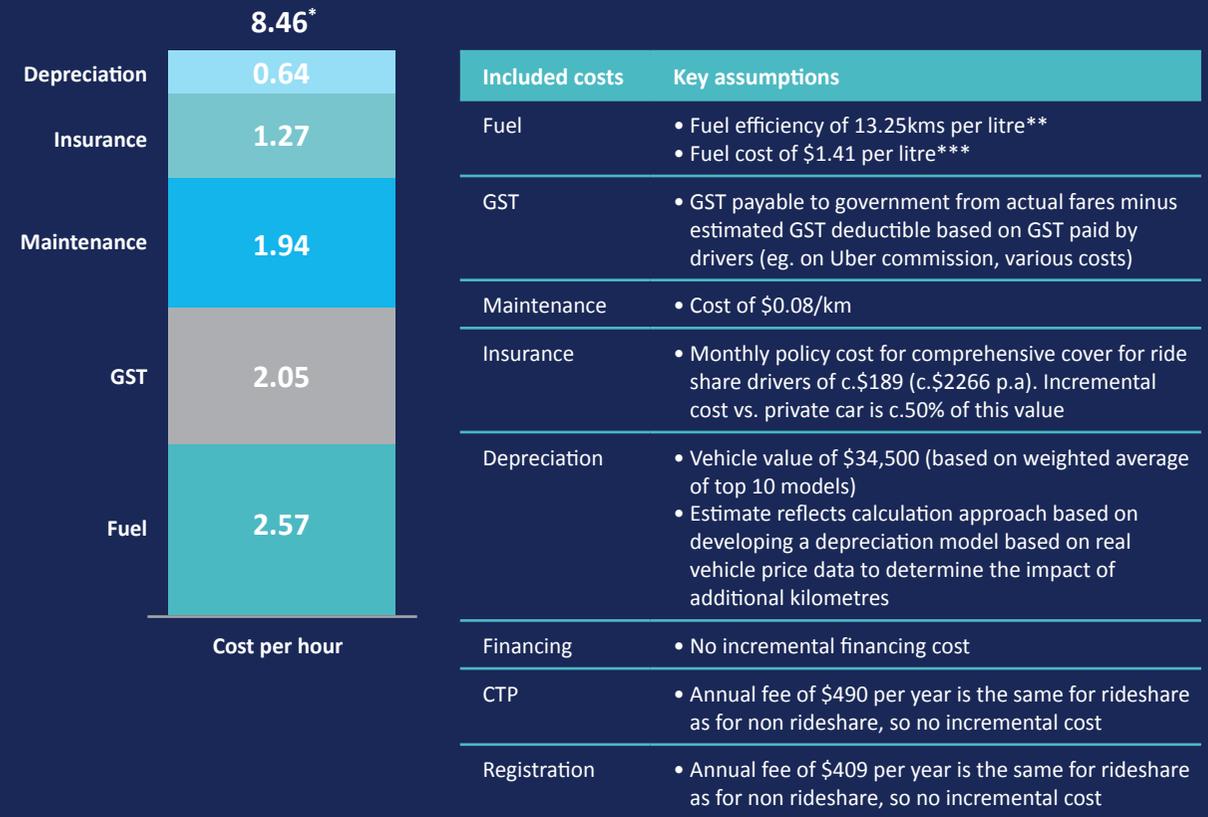
associated with vehicle insurance for rideshare vehicles would be amortised over a larger number of hours, reducing the cost per hour.

Given an average cost per hour of \$8.46, the average earnings per hours of Uber driver-partners in Sydney, net of costs, is estimated to be \$21.00 per hour (or \$23.35 per hour after removing 'commute' hours).

EXHIBIT 12

The average driver-partner cost is \$8.46 per hour in Sydney

Estimated cost per hour for Sydney Driver Partners
\$/hour



NOTE: Based on average hours per week and average kilometres. Excludes driver-partners who worked <50 hours during the 12 month period examined. *Cost per hour shown is based on all online hours. Cost per hour based on excluding 'commute' hours is \$8.76. **Fuel efficiency estimate is based on estimate for top 10 models used; ***Average weekly price from AIP over the time period
SOURCE: AIP; vehicle websites; Uber Vehicle Fleet data; RACQ; government websites; public websites; Uber Admin data; AlphaBeta analysis

5. An agenda to support opportunity, flexibility and security for gig economy workers

Platforms and Governments are working to improve support for independent workers

As the gig economy becomes a larger part of the employment landscape, the frameworks to support people in independent work need to evolve to ensure that flexibility does not come at the expense of fairness - in the form of the protections and securities that Australians value.

Governments around the world are considering ways to achieve this. Following the discussion at G20 Leaders Summit in Buenos Aires, Argentina, the 2018 G20 Leaders Declaration stated an intention to promote social protections for workers using digital platforms.

"We remain committed to building an inclusive, fair and sustainable Future of Work by promoting decent work, vocational training and skills development, including reskilling workers and improving labour conditions in all forms of employment, recognizing the importance of social dialogue in this area, including work delivered through digital platforms, with a focus on promoting labour formalization and making social protection systems strong and portable, subject to national law and circumstances."

In France, the Macron Government is proposing an innovative framework called the "social charter", aimed at solving this situation and encouraging platforms to improve independent worker protections and working conditions.²¹

Under the French social charter proposal, each platform provider would be allowed to list benefits, training and other conditions provided to independent workers in a "social charter" which would be verified by the administration and could not be seen as indicator of an employment relationship.

There are other efforts around the world aimed at finding modern solutions that help ensure fairness, security, and opportunity for all workers. In 2019, the Governor of California announced that he would establish a Future of Work Commission to look into ways to deliver flexibility with security.

At the same time, app-based/gig economy businesses are looking at ways to better support workers using their platforms. For example, Uber has recently introduced a number of initiatives aimed at providing better support and protection for people using the app to earn.

In November 2018, Uber invested in an Australian personal accident insurance product for injury, death and disability from Chubb to cover its driver-partners, as well as access to counselling services through Converge International should something go wrong while on a trip. The partner support package is available to eligible Australian drivers at no cost to them. It provides lump sum payments for injury, death and disability, as well as inconvenience payments to cover time off work arising from on- app injuries and reimbursement of certain non-medical expenses in some circumstances.

In Europe, Uber's partnership with AXA insurance also offers

social insurance and benefits for life events off-trip such as compensation for non-work injuries and severe sickness and one-off payments for life events such as the birth of a child or maternity/paternity and jury service.

In the United States, Uber has piloted several programs to support its driver-partners' growth and personal ambitions. In the USA, Uber has offered in partnership with Arizona State University Online, Uber offers to pay for eligible driver-partners or their family members to complete degree credits, English language, and entrepreneurship courses flexibly and online. A separate partnership between Uber and the Community College of Allegheny County (CCAC) in Pittsburgh offered qualifying drivers access to up to \$500 in funding for tuition, fees and textbooks for courses at CCAC.

21. Les Echos - Uber, Deliveroo, vers un statut spécial pour les indépendants ([link](#))

5. An agenda to support opportunity, flexibility and security for gig economy workers

There is more to do to provide gig economy workers with both flexibility and security

As the gig economy grows, platforms like Uber and governments have a shared responsibility to deliver flexibility, security and fair reward for all participants. Currently, Australian workers fall into one of two legal categories: employees, or independent contractors.

Broadly speaking, employees have better job security and entitlements like minimum wage, sick leave, holiday pay and superannuation. Of course, there are important differences between permanent and casual employees. For example, casual employees do not enjoy the same job or income security as permanent employees, but arguably have more flexibility. Independent workers get control over their time and schedule but forego access to traditional benefits.

In Australia (as in other parts of the world) these frameworks for work were established before the gig economy emerged and some groups have argued that they do not properly support gig economy workers, who are currently made to forego benefits like insurance and superannuation for the flexibility they desire.²² Meanwhile, gig economy platforms like Uber are wary of offering additional benefits due to the risk of having contractors reclassified as employees.²³

As more and more people are looking for independent and flexible earning opportunities, businesses, governments and societies need to do more to meet them there. Gig economy businesses, like Uber, need to work with government to strike a balance between flexibility and fairness. This report identifies

seven areas in which governments and app based businesses can work together to best do this.

1. Social benefits and protections

While the gig economy provides access to work as well as control and autonomy in completing that work, it is important that businesses work with government and attach with it higher responsibilities that protect individuals and support their growth. On demand platforms like Uber have begun to provide social benefits and protections to their users, through programs like the “partner support and protection” package introduced in Australia last year.

Uber has indicated it is interested in developing more social insurance products for driver-partners that will help provide for life events such as the birth of a baby or serious illness, as it has done in Europe. However, there are constraints embedded in the current policy framework in Australia where providing additional benefits risks driver-partners being reclassified as employees - effectively putting at risk the flexibility they value most. This risk may be addressed by Governments introducing provisions - similar to the French ‘social charter’ - ensuring protections and benefits [to the advantage of the contractor] are not used as a factor in employment classification.

Australian governments should consider ways to provide better protections and support to all workers, by developing a set of National Independent Work Standards (similar to the National Employment Standards). Platforms like Uber, Airtasker and Deliveroo could sign up to these standards in return for which governments would be willing to confirm and settle the question of legal status. It is important that innovative

solutions of this type reflect the hard won and important basic conditions and social expectations that Australians have of work. Reform in this area needs to be carefully considered and well targeted to avoid any unintended impacts on the strong safety net and standards that underpin Australian economic and social policy.

2. Superannuation

For most driver-partners, Uber is a source of supplementary income, rather than their full-time job (i.e. almost half of all driver-partners work less than 10 hours per week). While only a minority (14%) of driver-partners use Uber in a manner akin to full-time work (i.e. they work more than 30 hours per week), there is a cohort of users who are likely to derive significant income from the platform over multiple years.²⁴ These users could accumulate significant savings if they put a portion of their earnings from the Uber app into superannuation. Platforms like Uber should be considering ways to support people earning to save for the future through education, product partnerships and app integrations. Governments should also consider ways in which to create a framework for supporting contributions through streamlined administration arrangements for contributions from multiple sources of work.

3. Lifelong learning and re-skilling

For people transitioning between jobs either as a result of displacement or the highly cyclical Australian economy, being able to quickly start earning a living, and being able to do that flexibly around retraining is becoming increasingly important. Already many gig economy workers are in temporary transition between roles. Exhibit 6 shows that 17% of drivers using Uber are working to earn money during career transitions. In a global

22. Fair Work Ombudsman (2018), ‘The Gig Economy: Navigating new ways to work’. Available at: <https://www.fairwork.gov.au/about-us/news-and-media-releases/2018-media-releases/june-2018/20180620-gig-economy-op-ed>

23. Barratt T, Veen A, Goods C (2018), ‘Why gig workers may be worse off after the Fair Work Ombudsman’s action against Foodora’. Available at <https://theconversation.com/why-gig-workers-may-be-worse-off-after-the-fair-work-ombudsmans-action-against-foodora-98242>

24. Where akin to ‘full-time work’ refers to those working 30 hours or more per week.

5. An agenda to support opportunity, flexibility and security for gig economy workers

economy that is exposed to constant, rapid change individuals are expected to experience multiple career transitions and flexible, independent work options can play a role as an income ‘safety net’ to bridge between roles.

By extending the investments it has made elsewhere in the world, Uber can help people gain the skills they need for their desired careers. Initiatives like Uber Pro and Uber’s CCAC partnership in the US, offer eligible drivers free education via the Arizona State University Online, or financial incentives to pay for tuition, fees and textbooks at CCAC in Pittsburgh.

Businesses like Uber should be encouraged and incentivised by Government to provide support, skills and training for the work people engage in daily, and as they build their experience for the future. This is particularly important for people in transition between jobs.

4. Work and income recognition

As the gig economy grows, income and experience needs to be recognised by the broader economy including government and financial institutions so that independent workers are not disadvantaged when they apply for loans or government benefits. Centrelink, for example, requires young Australians to have worked more than a certain number of hours per week in order to be considered financially independent from their parents. This affects how much money they are eligible to receive from the Youth Allowance scheme. Similarly, the government applies a “work test” to determine Australians’ eligibility for childcare subsidies, superannuation co-contributions, and the pension bonus scheme. Legitimate experience and income in the gig economy needs to be recognised so that workers are not disadvantaged.

5. Credentials to recognise skills acquired on the job

Partners using Uber are independent contractors who run their own businesses and in doing so, they develop skills and experience relevant to other employment, including customer service, digital literacy and expense management. However, these skills are not formally recognised. There is an opportunity for Governments to work with platforms like Uber to formally recognise the skills gained by drivers in their roles through micro credentials or similar.

6. Occupational licensing

Ridesharing is a regulated activity in all Australian jurisdictions. While specific requirements vary, all states and territories require rideshare drivers to undergo background checks and apply for rideshare licenses or accreditations. Sydney driver-partners, for example, must obtain a Passenger Transport Licence Code, for which applications take up to 14 days to process. Driver-partners in Perth need to undergo a medical assessment that costs about \$75 before applying for a licence, which costs a further \$110.²⁵ The state also requires rideshare vehicles to have a suitable level of motor vehicle injury insurance, which costs \$154 more than the insurance required for a private car.²⁶ Uber would like to work with government to reduce the financial and administrative burden associated with licensing. Reducing licensing costs and moving from a paper process to a digitised one would reduce burdens to entry that disproportionately discourage casual use of the Uber app. Uber also believes that the hard won gains from regulating ridesharing can be diminished without constant assessment of the role of new regulations as well.

7. Tax compliance & support

There are important opportunities for platforms like Uber to work with Government to encourage tax compliance amongst current and potential independent gig workers, without creating disincentives for participating in the gig economy. As reflected in the data in this report, a large proportion of drivers are using Uber to earn for less than ten hours each week. Indeed for many, use of the Uber app is a short term pursuit. Drivers using the Uber app are responsible for completing regular BAS statements and tracking expenses over time through logbooks and invoice collection. For those drivers who use Uber only on short term basis or for limited hours per week, this can be a significant time drain. There is an opportunity for Government and businesses to work together to simplify tax reporting.

25. WA Department of Transport, Become a bus, taxi or charter vehicle driver. Available at <https://www.transport.wa.gov.au/licensing/become-a-bus-taxi-or-charter-vehicle-driver.asp>

26. WA Department of Transport, Motor Injury Insurance. Available at <https://www.transport.wa.gov.au/licensing/motor-injury-insurance.asp>

Conclusion

Driver-partners using Uber value flexibility most. Many couldn't work without it

The gig economy is relatively new in Australia. This new category of work has created income-earning opportunities for people previously excluded from the workforce, while also unlocking new, innovative business models throughout the economy.

Australians want to participate in the gig economy. Uber users are satisfied in their jobs, and flexibility is so important to them that nearly 40% of all driver-partners using Uber say they would not exchange their flexibility for any amount of extra pay.

Beyond their shared demand for flexible work, this report shows that driver-partners using Uber are a heterogeneous group, spanning a wide range of demographics, earnings, work-life preferences, and commitments. Most use Uber as a source of supplemental income and significantly vary their hours of work from week to week. Many driver-partners do so in between study, parenting, health constraints, side-businesses or travel plans.

However, there is an important opportunity to better support gig economy workers. Uber's data shows that 17% of driver-partners use Uber to earn money while in-between jobs; these workers would benefit from education programs that allow them to flexibly re-skill or up-skill. Further, 14% of driver-partners spend more than 30 hours a week on the app. These workers would benefit from superannuation and social benefits and insurance for significant life events.

Australians shouldn't have to choose between flexibility and security; business and government have a role in creating work opportunities that offer both. Through closer cooperation and data-driven debate, Australia has the opportunity to create more modern frameworks and innovative support structures that offer flexibility, security and fairness to all.



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This paper uses unit record data from the Household, Income and Labour Dynamics in Australia (HILDA) Survey. The HILDA Project was initiated and is funded by the Australian Government Department of Social Services (DSS) and is managed by the Melbourne Institute of Applied Economic and Social Research (Melbourne Institute). The findings and views reported in this paper, however, are those of the author and should not be attributed to either DSS or the Melbourne Institute

Senate Select Committee on the Future of Work and Workers, Submission 38 (Uber submission)

Uber White Paper on Work and Social Protection in Europe <https://ubernewsroomapi.10upcdn.com/wp-content/uploads/2018/02/Uber-White-Paper-on-Work-and-Social-Protections-in-Europe.pdf>

Methodological Appendix

APPENDIX 1: Workers' Flexibility and Security – Circumstances and Preferences

1. Determining worker circumstances

Worker circumstances were classified using self-reported answers to the following HILDA survey questions on flexibility and security, with classifications as described:

- Security: "I have a secure future in my job"
- Flexibility: "My working times can be flexible"

AlphaBeta classification of answers was as follows:

- Security: 1-3 = Low security, 4 = Neutral, 5-7 = High security
- Flexibility: 1-3 = Low flexibility, 4 = Neutral, 5-7 = High flexibility

Based on these classifications, circumstances were classified as follows:

	Low security	Neutral	High security
Low flexibility	Low flexibility and security	Neutral	High security
Neutral	Neutral	Neutral	High security
High flexibility	High flexibility	High flexibility	High security and flexibility

2. Classifying worker preferences

Worker circumstances were classified by combining responses for worker circumstances (as described above) with worker satisfaction ratings. The first stage was to segment worker satisfaction scores as follows:

- Security: "Job security satisfaction". 0-4 = Low satisfaction, 5 = Neutral, and 6-10 = High satisfaction
- Flexibility: "Flexibility to balance work and non-work commitments satisfaction". 0-4 = Low satisfaction, 5 = Neutral, and 6-10 = High satisfaction

The above classifications were then combined with worker circumstances to proxy for worker preferences, as follows:

		Circumstance		
		Low	Neutral	High
Satisfaction	Low	Preference for high	Neutral	Preference for low
	Neutral	Neutral	Neutral	Neutral
	High	Preference for low	Neutral	Preference for high

3. Grouping worker preferences

Worker preference classifications were combined in a similar manner to worker circumstances.

The table below shows the groupings:

	Low security preference	Neutral preference	High security preference
Low flexibility preference	Low flexibility and security	Neutral	High security
Neutral preference	Neutral	Neutral	High security
High flexibility preference	High flexibility	High flexibility	High security and flexibility

Methodological Appendix

APPENDIX 2: Driver-partner survey

As part of AlphaBeta's research, YouGov was commissioned to conduct a representative survey of active Uber driver-partners.

Uber provided YouGov with a randomly generated, geographically representative database of 10,000 driver-partners.

The survey was emailed to potential respondents, with completion of the survey done online. It was made clear that the survey was being conducted on behalf of Uber.

The survey sample consisted of 1154 Uber driver-partners.

Methodological Appendix

APPENDIX 3: Factors impacting driver-partner earnings per hour

To assess the impact of different factors on driver-partner earnings per hour we developed an OLS regression, with individual driver-partner earnings per hour (average for the whole period) as the dependent variable, regressed against a range of independent variables. With this construction there was one observation per driver-partner in our sample.

The construction of the independent variables and the output of the OLS regression are shown in the tables below. We conducted both linear and log based regressions, with the two approaches yielding similar conclusions. The results of the linear regression are shown below and used in the report for ease of interpretation.

Independent variable	Variable construction
Age	Age in years
Gender	Dummy variable (Male = 0, Female = 1)
Tenure	Number of weeks since start date
Weeks worked in the period	Number of weeks worked
Hours worked per week (contingent on working)	Number of hours worked per week. We also test 'weeks squared' given there is the potential for a non-linear relationship (that changes direction)
Composition of hours - % weekday evening % weekend day % weekend evening	Continuous variables taking a value between 0 and 1 based on the % of weekday evening hours, % weekend day hours, % weekend evening hours respectively
Use of 'direction preferences' - % of time in mode	Continuous variable taking a value between 0 and 1 based on the % of time driven with direction preferences mode active
Location of driving – Core vs. non-core areas	Continuous variable taking a value between 0 and 1 based on the % of open time spent in core areas of demand
Seasonality of driving	Continuous variable taking a value between 0 and 1 based on the % of a driver's hours online that are in November/December

Methodological Appendix

APPENDIX 3: Factors impacting driver-partner earnings per hour (cont...)

Output of OLS Regression Model	
Independent variable	Variable coefficient
Age	-0.01
Female	-0.81*
Tenure	0.02***
Weeks worked in the period	0.00
Hours worked per week (contingent on working)	0.08***
Hours worked per week squared (contingent on working)	-0.00**
Composition of hours -	
% weekday evening	-2.30***
% weekend day	5.76***
% weekend evening	11.76***
Driver direction preferences - % of time specified	-1.78***
Location of trips – % of open hours spent in core areas	10.33***
Seasonality - % of time in November or December	5.89***
Coefficient	17.48***

R squared = 0.42
 * p<0.05
 ** p<0.01
 *** p< or = 0.001

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strategy x economics