

**CLASP**

Policy solutions that work for low-income people

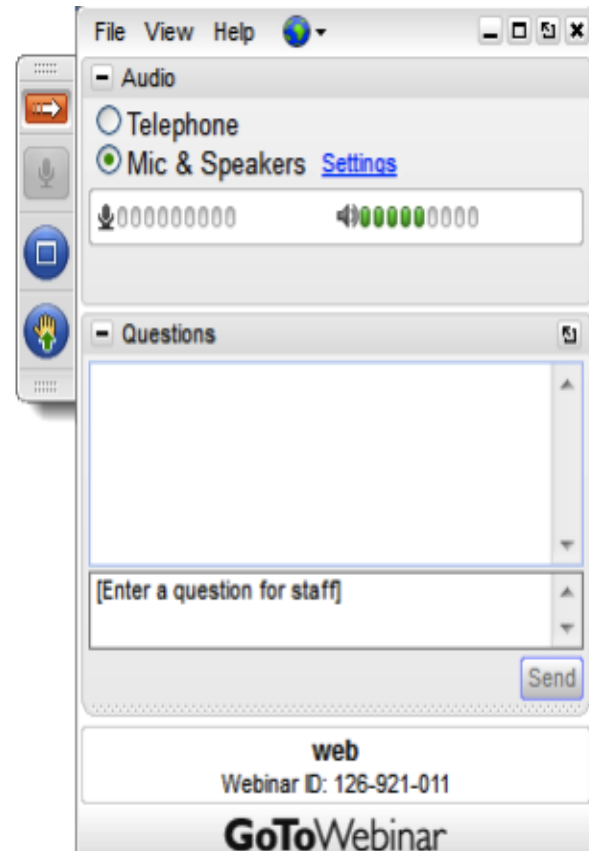
**Data&Society**

# Technology and the Changing Nature of Low-Wage Work

July 2018

# Q & A

Please use the “Questions” feature to submit any questions to presenters. We encourage you to submit questions throughout the presentation.



# Presenters

- Julia Ticona, *Postdoctoral Scholar, Data & Society* and *incoming Assistant Professor, University of Pennsylvania's Annenberg School for Communication*
- Alexandra Mateescu, *Researcher, Data & Society*
- Ceilidh Gao, *Staff Attorney, National Employment Law Project*

## Moderators

- Aiha Nguyen, *Labor Engagement Lead, Future of Labor Initiative, Data & Society*
- Pronita Gupta, *Director of Job Quality, CLASP*
- Tanya L. Goldman, *Senior Policy Analyst, CLASP*

# Beyond Disruption:

## How Tech Shapes Labor Across Domestic Work & Ridehailing



Julia Ticona (PI), Alexandra Mateescu, Alex Rosenblat

Data&Society

Thursday, July 12, 2018

# About the Study: Methodology & Research Questions

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What does “gig work” look like to workers?



Care.com®  
There for you™

handy



JUNO

urbansitter



TaskRabbit

honor

lyft

sittercity

CareLinx

HUX



VIA

# Marketplace vs On-demand

## Marketplace

- Job matching & hiring.
- Subscription based (freemium).
- E.g., Care.com, SitterCity, UrbanSitter, Thumbtack, Fiverr.

## On-demand

- Matching, Hiring  
Dispatching, Task, Payment.
- Fee based.
- E.g., Uber, Lyft, Postmates, Instacart.

## Hybrid

- Matching, hiring, dispatching, Payment, worker profiles, ltd. choices.
- Fee based.
- E.g., TaskRabbit, Handy, Hello Sitter

# Shifting Risks & Rewards:

## Marketplace / On-demand

### Marketplace

- Dating apps!
- Profiles: photos, videos, work history, personal narrative, scheduling availability, location, reviews, ratings, badges, social media.
- Incentivizes workers to invest heavily in self-branding, and disadvantage workers without competitive new media skills.
- Privacy implications

### On-demand

- Efficient & opaque
- Offloads inefficiencies & hidden costs onto workers.
- Invisible work strategies



## Standing out in the “crowd” on marketplace platforms

“I mean, my mom is like sixty something. She didn't grow up in this technology age, so she's not that familiar with it. So I do most of it for her, I put her information, take her picture, upload it, I fill in everything. When [prospective clients] contact me, most of the initial contact goes through me unless when it gets to that stage when they have to call her and they call her and then she talks.”

-- Interview with “Gloria” (elder care companion, [Care.com/Carelinx](https://www.care.com/Carelinx))

# Standing out in the “crowd” on marketplace platforms

**Where do you start? From wherever you are.**



## 1 I'M A NEWCOMER

Welcome to Care.com. Finish your profile so you can move up a level and families can find you.



## 2 I'M IN THE CAREFORCE

Great job! Now that you've completed these steps families can see you in search.

- Uploaded a photo
- Verified email
- Applied to a job



## 3 I'M A CAREPRO

The extra effort paid off—you've earned your CarePro badge! Keep up the good work by maintaining a high response rate and review average.

- Opted-in to mobile alerts
- Responded quickly to families
- Received good reviews
- Background check on file
- Verified phone number
- Accepts online payments

## Making trade-offs on on-demand/hybrid platforms

Left: Handy's cancellation policy for workers.

Right: a Handy worker's pay log, including \$65 in outstanding fees. Penalty fees are subtracted from workers' future earnings.

**Job Details**

**Borough Park & Bensonhurst**  
Includes Borough Park and Bensonhurst neighborhoods in Brooklyn.

Please make sure you can complete this job. Remember, cancelling jobs negatively impacts your keep rate, and you might incur a fee.

• Cancel more than 48 hours	\$0
Under 48 hours	\$10
Under 24 hours	\$20
Under 4 hours	\$40
Failing to show up	\$50

**Confirm Claim**

**Payments**

• CURRENT PAY WEEK  
**Mon, May 8 - Sun, May 14**

Total Earnings	\$0
Fees	\$0
Expected Payment	<b>\$0</b>

Outstanding Fees **-\$65**

PREVIOUS PAY WEEKS

<b>Apr 24 - Apr 30</b> 1 booking, 1 fee	<b>\$15</b> PAID
<b>Apr 17 - Apr 23</b> 4 bookings	<b>\$150</b> PAID

Claim Schedule Clients Alerts More

## Making trade-offs on on-demand/hybrid platforms

“It's bad when you get fees and you haven't made any money, which is my situation now. I'm in the negative even before I started for the week because there's been so much going on this week. First of all I'm fighting the \$15 payment for the person that claimed that I was late but then canceled, then I had another fee for \$40 where I had to cancel because my daughter wasn't feeling good. I am \$55 in the hole, so they are automatically going to take that. So if I take a four hour job at \$60, I really only made \$5 because they are going take that.”

-- Interview with “Takahara” (Handy)

# Navigating Risk & Safety

- On-demand platforms - client self-reporting to describe services.
- Workers unclear about platform policies regarding safety.
- Rating systems pressure workers - poor ratings affect access, pay rates, or lead to deactivation.
- Workers leverage weak accountability to ensure safety & resolve challenges.
- Disputes w/platforms take time and energy; some workers avoid conflict, absorb costs.
- Platforms collect data, but workers also collect own documentation.

# Navigating Risk & Safety

“If you don’t feel comfortable, you have the right to say no, you’re not okay with that. Which is what I did. That was the first time I was like, to a client, I’m like yeah, no. I will do this and you do that, but I’m not going to do, I’m not touching any of that, even though I had gloves and everything.”

-- Interview with “Diana” (TaskRabbit)

“That's one of the things that you want to keep within the text because that's our transcript of everything, that's the invoice, that's any proof, you shoot screenshots in there...You can send before and after pictures in the chat, some people do, some people don't, but just have them on file because down the line if there's any sort of discrepancy, if the client's credit card doesn't run, anything, the client says the toilet wasn't cleaned, you have the ability to say "Well, look at the transcript.”

-- Interview with “Rob” (TaskRabbit)

# Conclusion

- It's not all about “Uberization”; different contexts and histories of industries matter.
- Labor platforms intervene at different points in relationships between workers and clients.
- Platforms shift risks and rewards for workers in different ways.
- Platforms create hard trade-offs between safety and reputation.

# Misclassification & Industry Efforts to Rollback State Worker Laws

Technology and the Changing Nature of Low Wage Work,  
July 12, 2018



# Now:

- 1) The Context
  - Independent Contractor Misclassification
- 2) The Threat
  - Industry's Push to Rewrite the Rules

# The Context: Independent Contractor Misclassification

# What is independent contractor misclassification?

- 1099 v. W-2
- Why misclassify?
  - Economic incentive – it's cheaper!
  - Avoid workplace protections, e.g.
    - Wage theft
    - Race/sex harassment
    - Union rights
    - OSHA
    - Retirement/health

# “Independent contractor or employee?”

- **Context for app-based companies**
  - Litigation
  - State agency decisions
    - Oregon (Uber)
    - California (Uber)
    - New York (Uber, Taskrabbit, Postmates)
    - Alaska (Uber)

# The Industry's Response

"What is ultimately a better business decision? To try to ***change the law in a way that you think works for your platform***, or to make sure your platform fits into the existing law?"

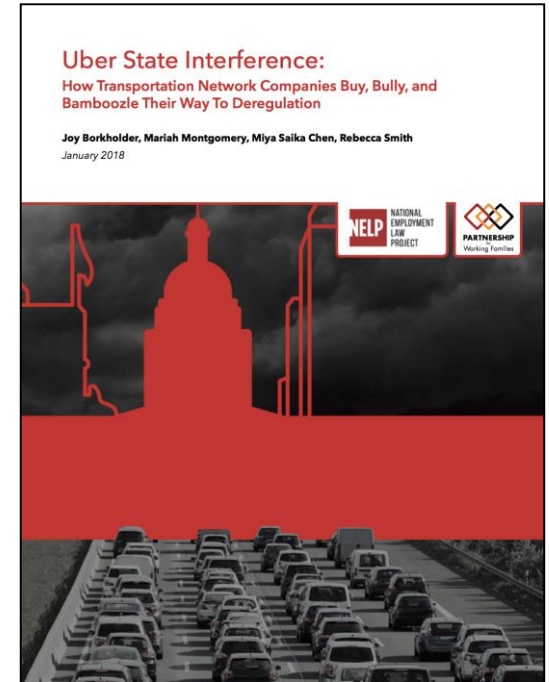
- Lobbyist for Uber and Handy (CNN)

The industry-backed laws “would definitely help with some of the litigation that’s in play.”

- Oisín Hanrahan, CEO of Handy (Bloomberg)

# The Threat: Industry's Push to Rewrite the Rules

# Aggressive Lobbying and Spending



# “Marketplace Platform” Bills

- Introduced since January 2018
  - **Tennessee**
  - **Florida**
  - **Indiana**
  - Colorado
  - **Utah**
  - **Iowa**
  - Georgia
  - Alabama
  - **Kentucky**



# What these bills do:

“marketplace platform”\*  
+ “marketplace contractor”  
= no employee protections, as a matter  
of state law

\* *This term does **not** have the same meaning as used in the report!*

# Why is this such a problem?

- Lowers standards
  - Eliminates existing worker protections
  - Changes regulatory background even where independent contractor classification is proper
- Unfair advantage
  - Downward pressure, race to the bottom

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  - **Kentucky**

# Moving forward, Moving backward

- Wage boards
  - Portland
  - Seattle
- Expanding existing statutes
- Portable benefits
- Collective bargaining for independent contractors

# Thank You For Joining!

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