Gig Work and the Platform Economy

Crowdsourcing and Human Computation

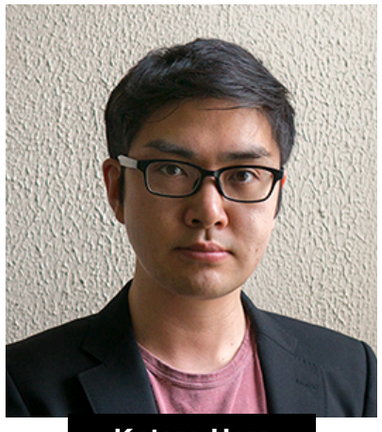
Instructor: Chris Callison-Burch

Website: crowdsourcing-class.org

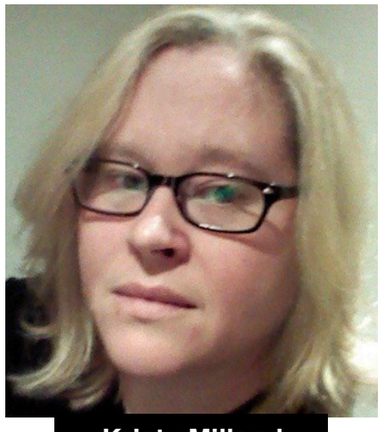
Discussion of HW1

A Data-Driven Analysis of Workers' Earnings on Amazon Mechanical Turk

CHI-2018

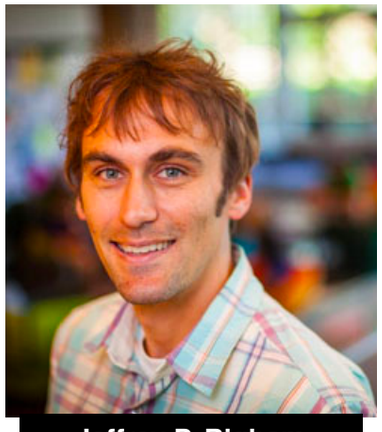

Kotaro Hara


Abigail Adams


Kristy Milland


Saiph Savage


Chris Callison-Burch


Jeffrey P. Bigham

SINGAPORE MANAGEMENT UNIVERSITY

McMaster University

West Virginia University

Penn University of Pennsylvania

Carnegie Mellon University

ABSTRACT

A growing number of people are working as part of on-line crowd work. Crowd work is often thought to be low wage work. However, we know little about the wage distribution in practice and what causes low/high earnings in this setting. We recorded 2,676 workers performing 3.8 million tasks on Amazon Mechanical Turk. Our task-level analysis revealed that workers earned a median hourly wage of only ~$2/h, and only 4% earned more than $7.25/h. While the average requester pays more than $11/h, lower-paying requesters post much more work. Our wage calculations are influenced by how unpaid work is accounted for, *e.g.*, time spent searching for tasks, working on tasks that are rejected, and working on tasks that are ultimately not submitted. We further explore the characteristics of tasks and working patterns that yield higher hourly wages. Our analysis informs platform design and worker tools to create a more positive future for crowd work.

A Data-Driven Analysis of Workers' Earnings on Amazon Mechanical Turk

Kotaro Hara, Abigail Adams, Kristy Milland, Saiph Savage
Chris Callison-Burch, Jeffrey P. Bigham

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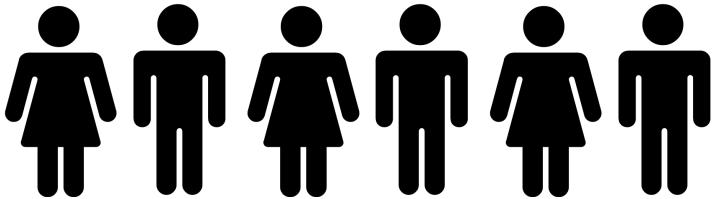
Penn University of Pennsylvania
CHI 2018
Engage with CHI

600k

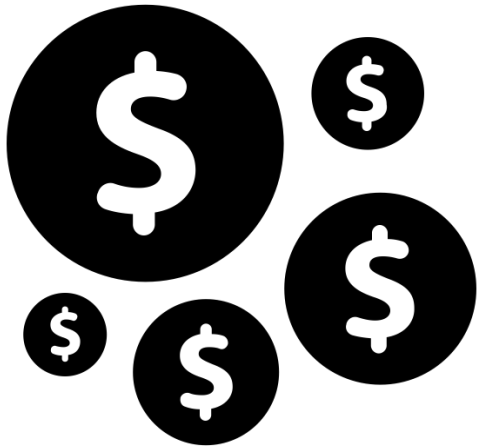
online workers and counting



The Hamilton Project (2015)

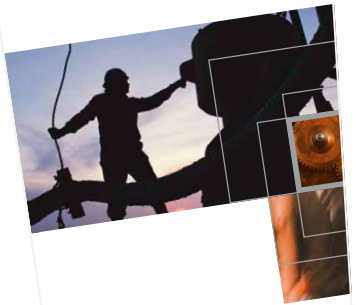
Online outsourcing industry generated

$2b



Hitlin (2016), WorldBank (2015)

Are workers treated fairly? How does this new work style affect their lives?



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Being A

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ABSTRACT
We conducted an ethnomethdological analysis of publicly available content on Turker Nation, a general forum for Amazon Mechanical Turk (AMT) users. Using forum data we provide novel depth and detail on how the Turker Nation members operate as economic actors, working ou which Requesters and jobs are worthwhile to them. W show some of the key ways Turker Nation functions as community and also look further into Turker-Request relationships from the Turker perspective – considerin practical, emotional and moral aspects. Finally, followi Star and Strauss [25] we analyse Turking as a form invisible work. We do this to illustrate practical and eth issues relating to working with Turkers and AMT, an promote design directions to support Turkers and relationships with Requesters.

Author Keywords
Ethnomethodology; content analysis; crowdsourcing; microtasking; Amazon Mechanical Turk; Turker Nation

ACM Classification Keywords
H.5.3 Group and Organizational Interfaces – Comput Supported Cooperative Work

General Terms
Human Factors

INTRODUCTION
The concept of crowdsourcing was originally d Jeff Howe of Wired Magazine as "*the act of a co institution taking a function once performed by and outsourcing it to an undefined (and generic network of people in the form of an open call.* 'undefined network of people' is the key to article. We present the findings of an ethnomet analysis of posts and threads on a crowdsour called Turker Nation[1]. We have sought to members of the crowd – their *reasonin concerns*, and *relationships with requesters an* – as they are shown in their posts on the forun present them as faithfully as possible, in their

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Copyright 2013 ACM 978-1-4503-1331-5/13/02..$1

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Ali A

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ABSTRACT
The internet is empowering the rise and other forms of on–demand l ing body of scholarship has atten technical outcomes of this shift, e questions: 1) What are the compl work?, 2) How far can work be d crotasks?, and 3) What will work like for workers? In this paper, w arship on piecework — a similar distribution, and payment that v 20th century — to understand h out with modern on–demand anisms that enabled and limite identify whether on–demand might differentiate itself. This grounding that can help addr questions in crowd work, an that learn from history rather

ACM Classification Keywo
H.5.3. Information Interfac Group and Organization Int

Author Keywords
Crowd work; gig work; on

INTRODUCTION
The past decade has seer mediated labor. A framin components enables cor of workers at scale [68, workers engage in work with little to no awaren and often with fleeting

For years, such labor w data annotation and su

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DOI: http://dx.doi.o

Stories We Tell About Labor: Turkopticon and the Trouble with "Design"

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ABSTRACT
This paper argues that designers committed to advancing justice and other non-market values must attend not only to the design of objects, processes, and situations, but also to the wider economic and cultural imaginaries of design as a social role. The paper illustrates the argument through the case of Turkopticon, originally an activist tool for workers in Amazon Mechanical Turk (AMT), built by the authors and maintained since 2009. The paper analyzes public depictions of Turkopticon which cast designers as creative innovators and AMT workers as without agency or capacity to change their situation. We argue that designers' elevated status as workers in knowledge economies can have practical consequences for the politics of their design work. We explain the consequences of this status for Turkopticon and how we adapted our approach in response over the long term. We argue for analyses of power in design work that account for and develop counters to hegemonic beliefs and practices about design as high-status labor.

Author Keywords
Activism; design, ethics, economics, social theory; critical design, human computation; Amazon Mechanical Turk

INTRODUCTION: THE POLITICS OF DESIGN IN KNOWLEDGE ECONOMIES
HCI works at the gap between technological possibility and human desires, conflicts, and labor. Some work to make things that make new kinds of relating possible. Others advocate for the making of things as a way of bringing people together to provoke and sustain democracies [9, 10, 23]. Environmental sustainability, socio-economic development, and pro-social reorganization of technological life animate international HCI communities. But what if the problem is not how we design in a highly unequal world, but the very fact that we are read as designers at all?

Designers are more than those who seek to move from current states to preferred ones. Designers relatively high rung in hierarchi

Projects. The World Bank, for example, cites design as an engine of "new value chains" in the face of global competition that drives existing commodity profit margins to zero [16]. Design is core to economic growth policies in Britain [21], China [49], and India [68]. American economic policy looks to hacking, 3-D printing, and STEAM (Science, Technology, Engineering, Arts, and Math) education to transform workers into citizens who can both generate new sources of financial value and improve material conditions for living.

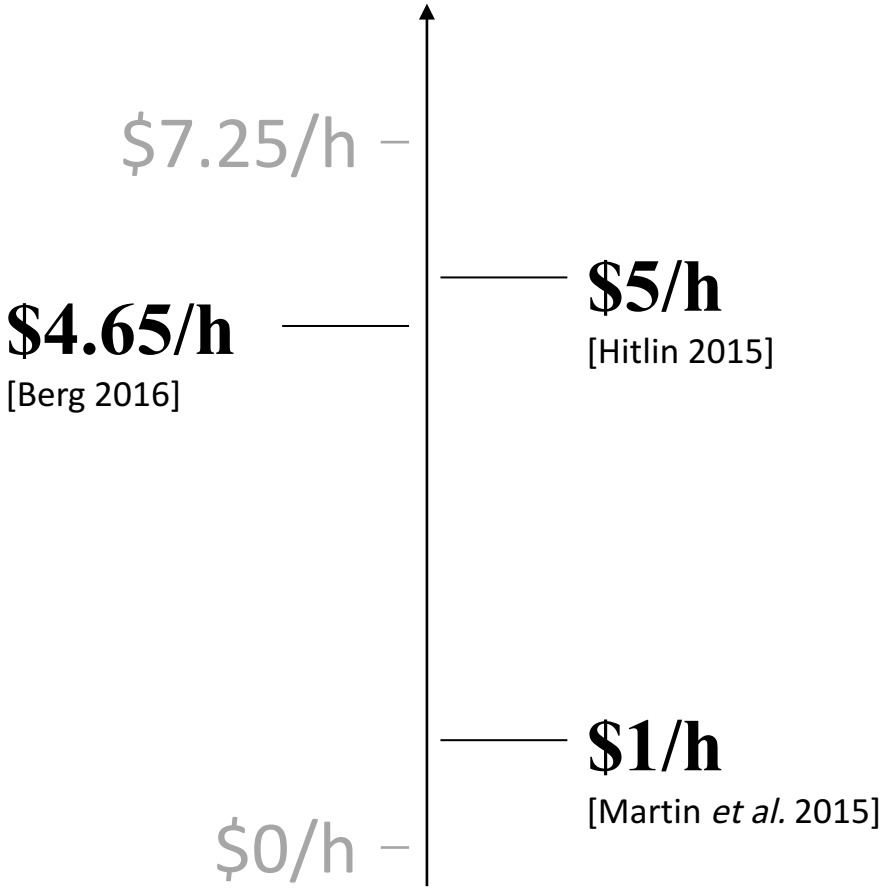
Within such a milieu, designers and HCI practitioners have a privileged place as a research community that self-consciously attempts to generate both the futures of pervasive technologies and methods for generating those futures. We are not simply Herbert Simon's designers in pursuit of preferred states [77:111], but privileged economic actors. These stories of economic and social progress sustain us institutionally, but they also become complicities and liabilities for those who wish to redistribute power through design practice. We encountered these problems as designers of Turkopticon, an activist intervention into Amazon Mechanical Turk (see [45]). In this paper, we explain how cultural and economic understandings of design shaped how broader publics interpreted our intervention, with problematic consequences for the workers the project sought to support. We describe the conflict between "design" as a cultural position to speak from and the projects' labor politics. We then describe how we expanded our tactics beyond design itself to sustain the projects' goals to improve digital microwork.

This paper contributes to HCI scholarship

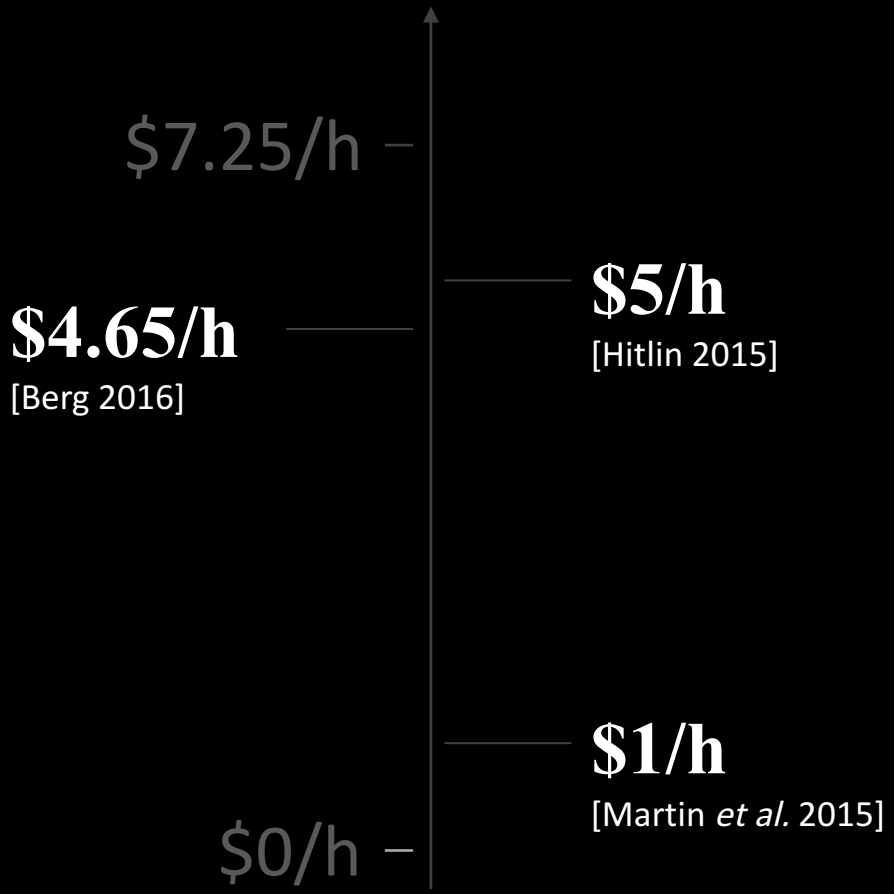
workers who want to do those workers as independent contractors; this means they are not entitled to minimum wage or other employment benefits.

Turkopticon came out of engagements with

Martin *et al.* 2014; Berg 2016; Irani and Silberman 2016; Alkhatib *et al.* 2017



Workers earn a fraction of the U.S. minimum wage ($7.25/h)



These figures are subjective data based on workers' opinions on an online forum and survey responses

The lack of **reward and** task duration data has prevented us from objectively analysing workers' hourly wage

3.8m

task records

https://crowd-workers.com/

Research Questions

How much are workers earning on Amazon Mechanical Turk?

What contributes to the low wage?

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How much are workers earning on Amazon Mechanical Turk?

What contributes to the low wage?

Data

- N=2,676 workers
- Task description
  - title, keywords, description, task IDs, requester IDs, **reward ($)**
- Task status
  - submitted *vs.* returned
  - **Timestamps (task start, task end, task return)**

Data

- N=2,676 workers
- Task description
  - title, keywords, description, task IDs, requester IDs, **reward ($)**
- Task status
  - submitted *vs.* returned
  - **Timestamps (task start, task end, task return)**

These pieces of information enable us to calculate hourly wage

It is surprisingly hard to get accurate estimation of hourly wage

Hourly Wage Estimation (Naïve)

$$\frac{\text{Task Reward (\$)}}{\text{Task Interval}} = \text{Per-task Hourly Wage}$$

Hourly Wage Estimation (Naïve)

Worker

$$\frac{\Sigma \text{ Task Reward (\$)}}{\Sigma \text{ Task Interval}} = \text{Per-worker Hourly Wage}$$

Naïve method of calculating hourly wage

Hourly Wage Estimation (Naïve)

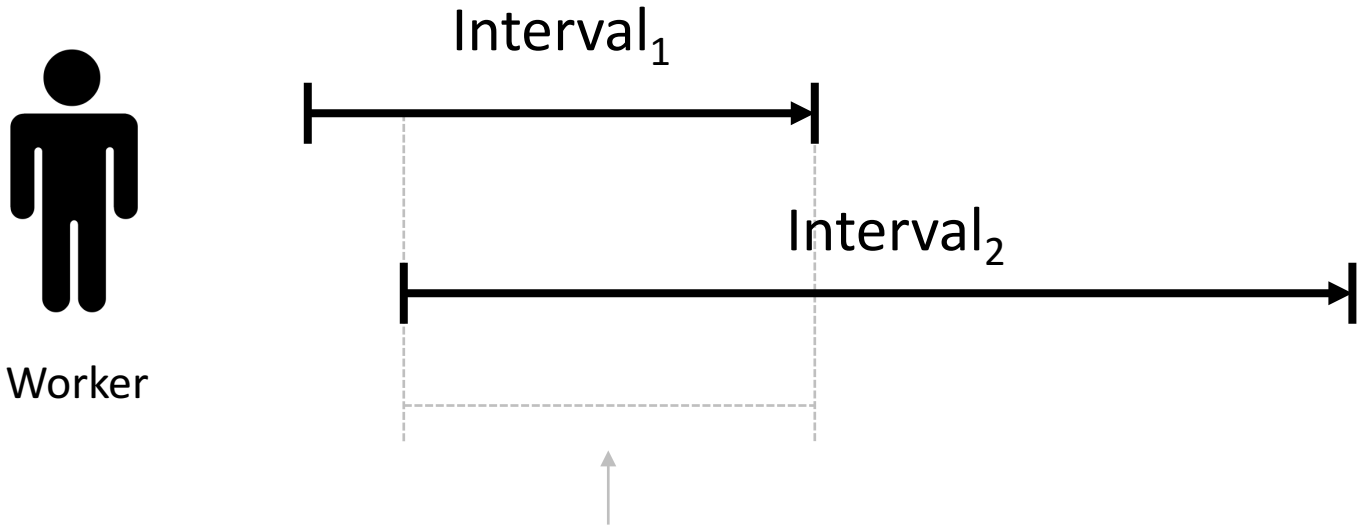
Worker

The naïve method may **under- or over-estimate the hourly wage**

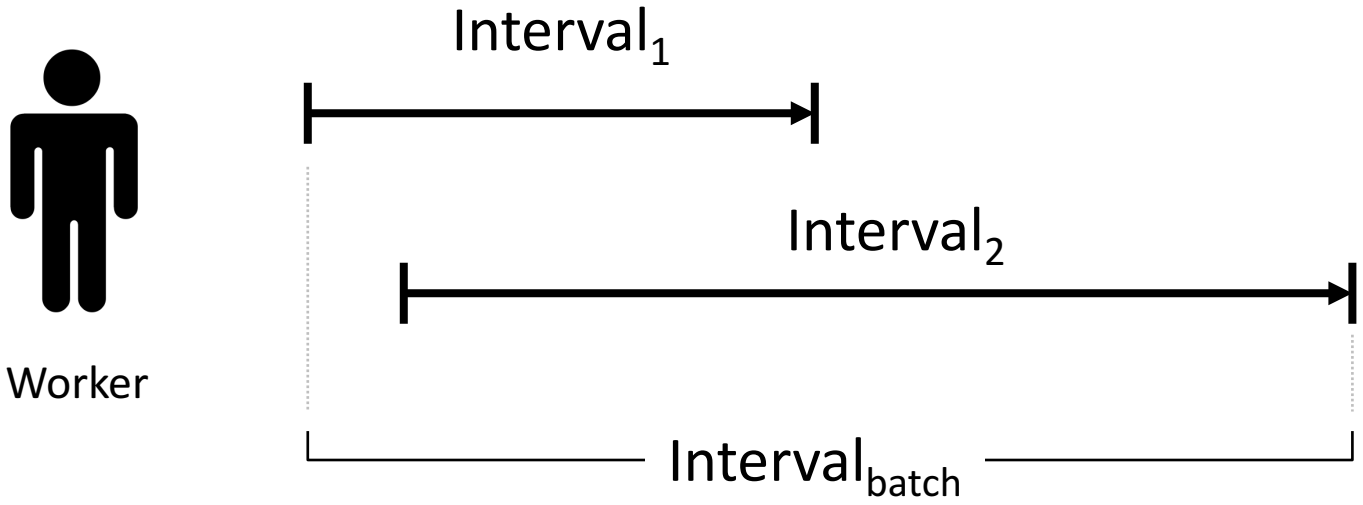
Σ Task Inter… …r Hourly Wage

Naïve method of calculating hourly wage

Wage Under-estimation

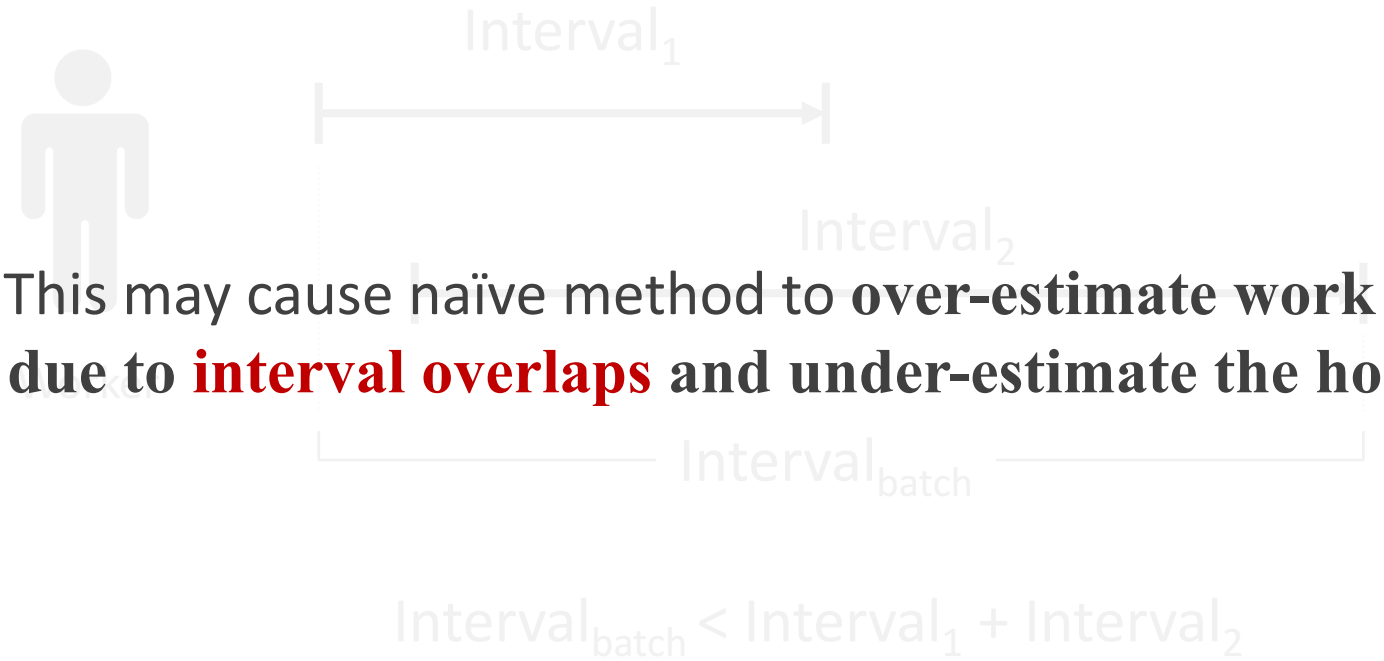


Wage Under-estimation



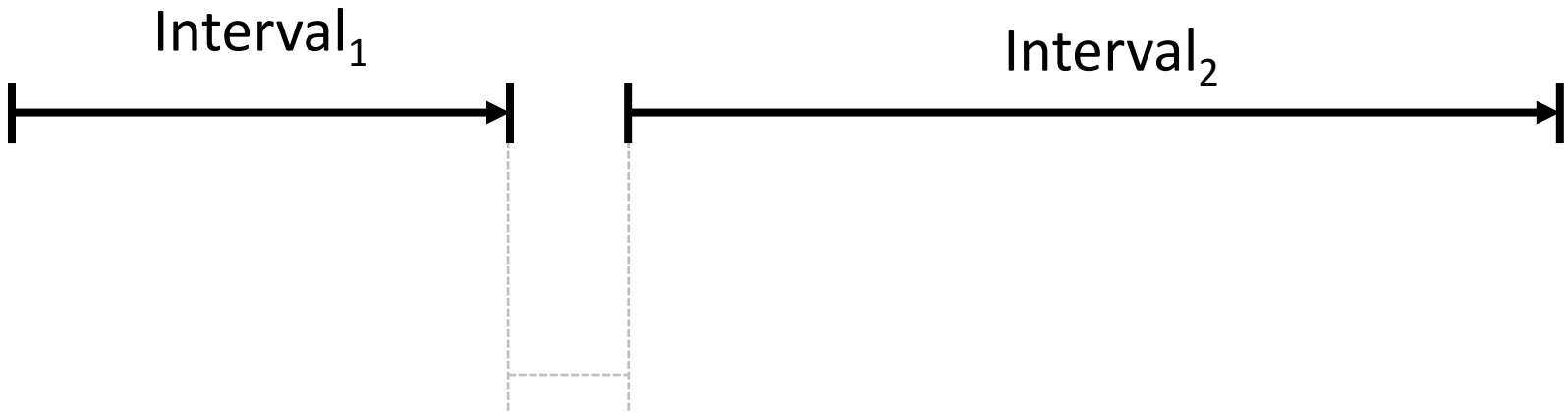
$$Interval_{batch} < Interval_1 + Interval_2$$

Wage Under-estimation



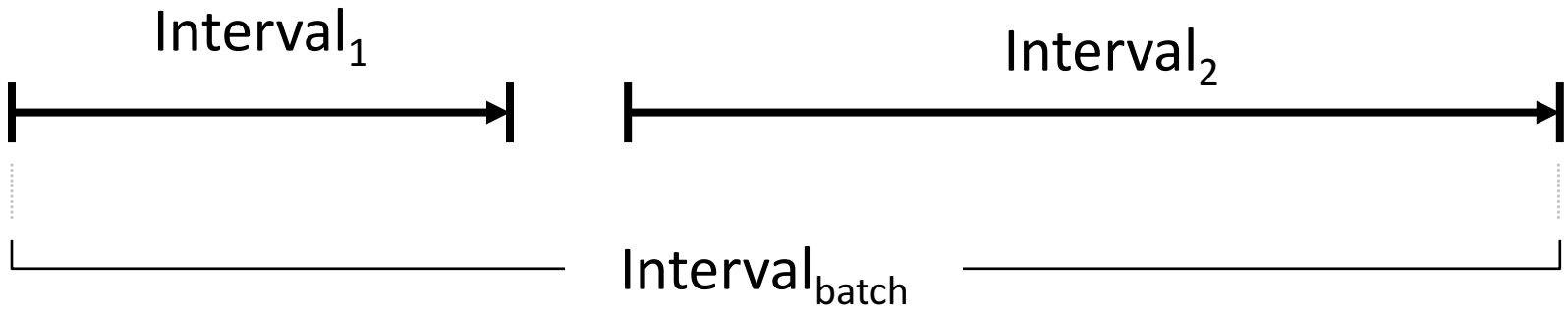
This may cause naïve method to **over-estimate work durations due to interval overlaps and under-estimate the hourly wage**

Wage Over-estimation



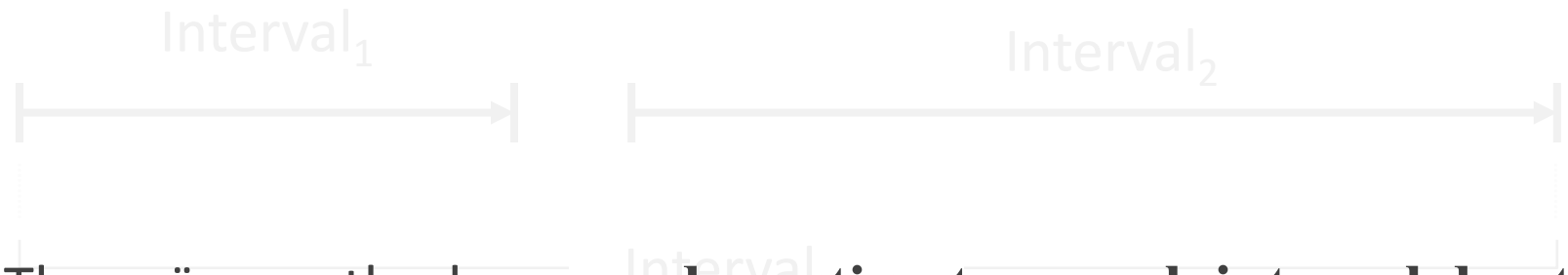
There could be a short gap between two tasks
(*e.g.,* time to search for a task)

Wage Over-estimation



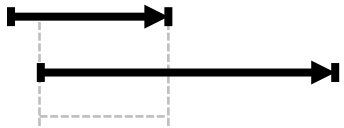
$$Interval_{batch} > Interval_1 + Interval_2$$

Wage Over-estimation



The naïve method may **under-estimate a work interval due to time between tasks and over-estimate the hourly wage**

$Interval_{batch} > Interval_1 + Interval_2$



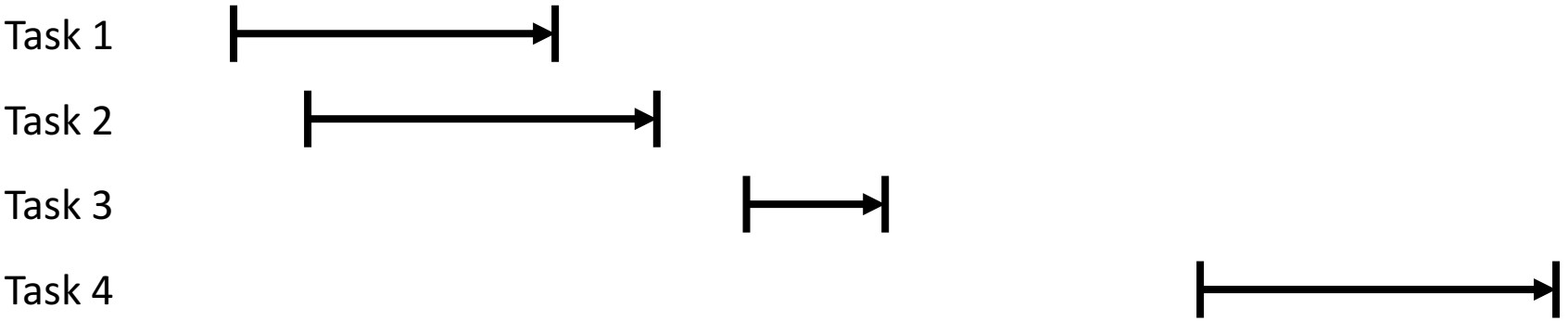
Interval overlap

Time between tasks

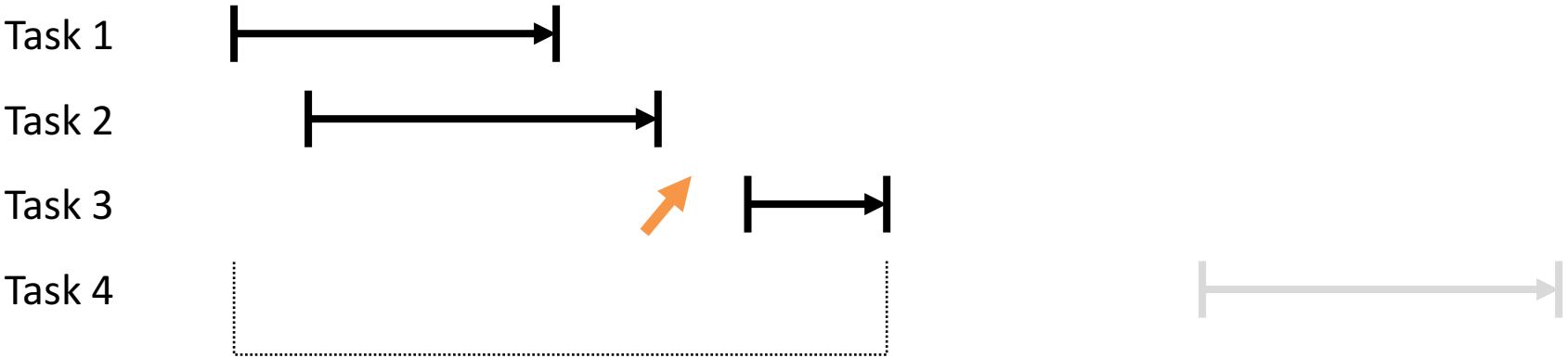
Wage over- and under-estimation may affect the accuracy of hourly wage calculation

To reduce the effects of interval overlaps and time between tasks, we used a **temporal clustering method** to compute hourly wage

Temporal Clustering

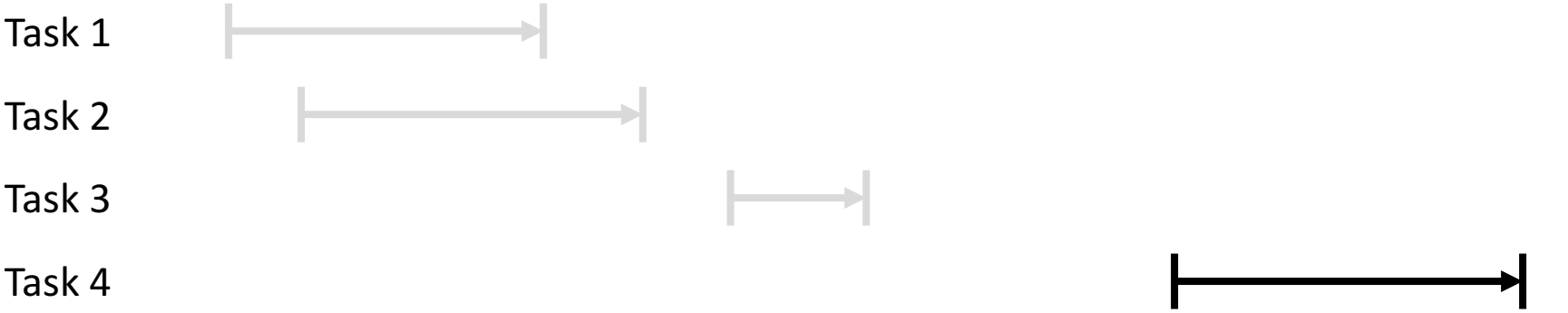


Temporal Clustering



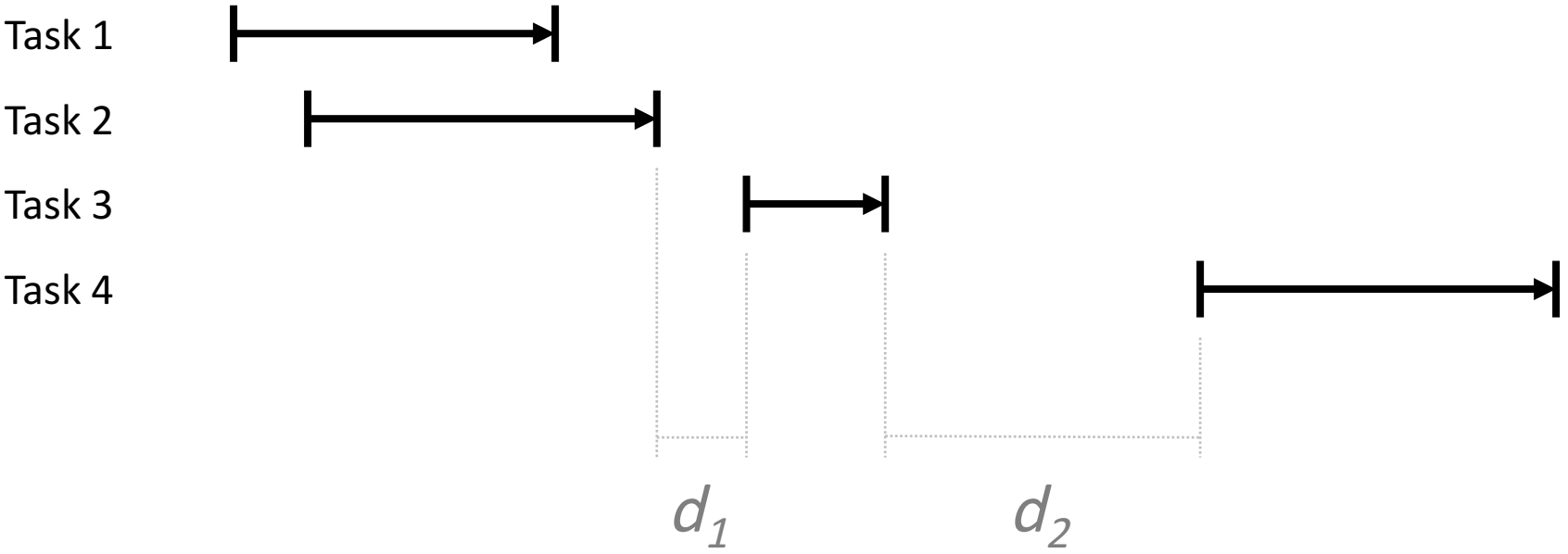
We want to cluster temporally close tasks together to ignore this **small gap**

Temporal Clustering

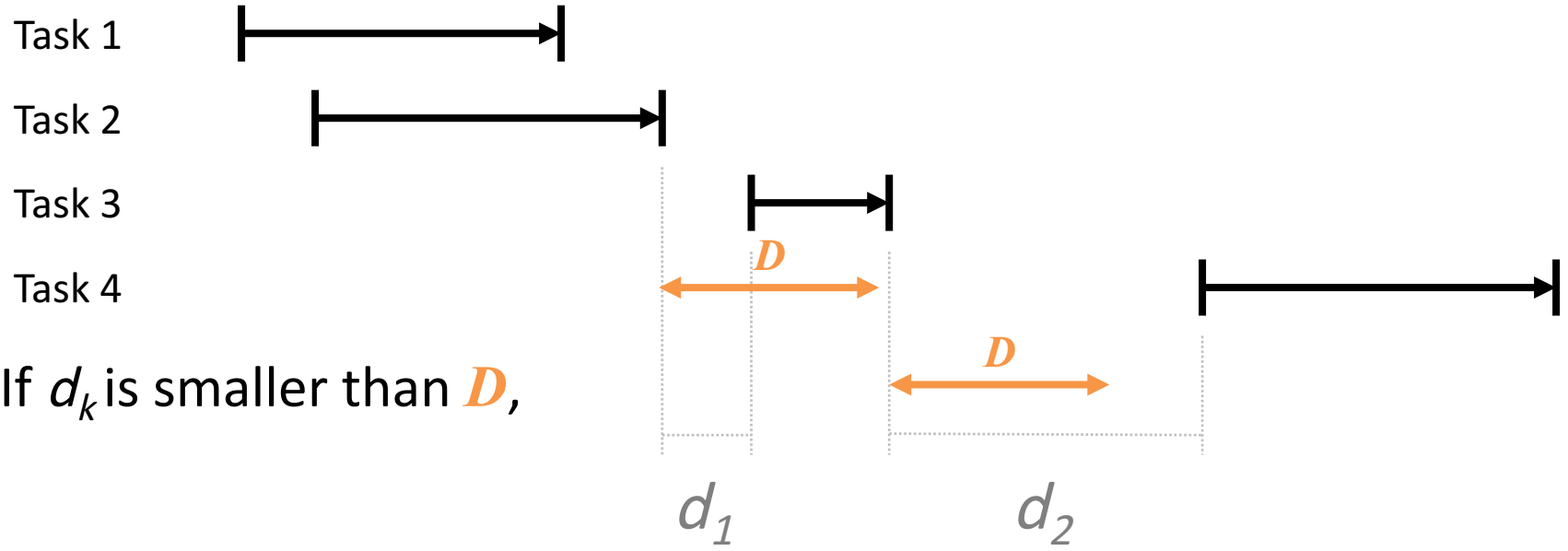


While keeping this isolated task disjoint

Temporal Clustering

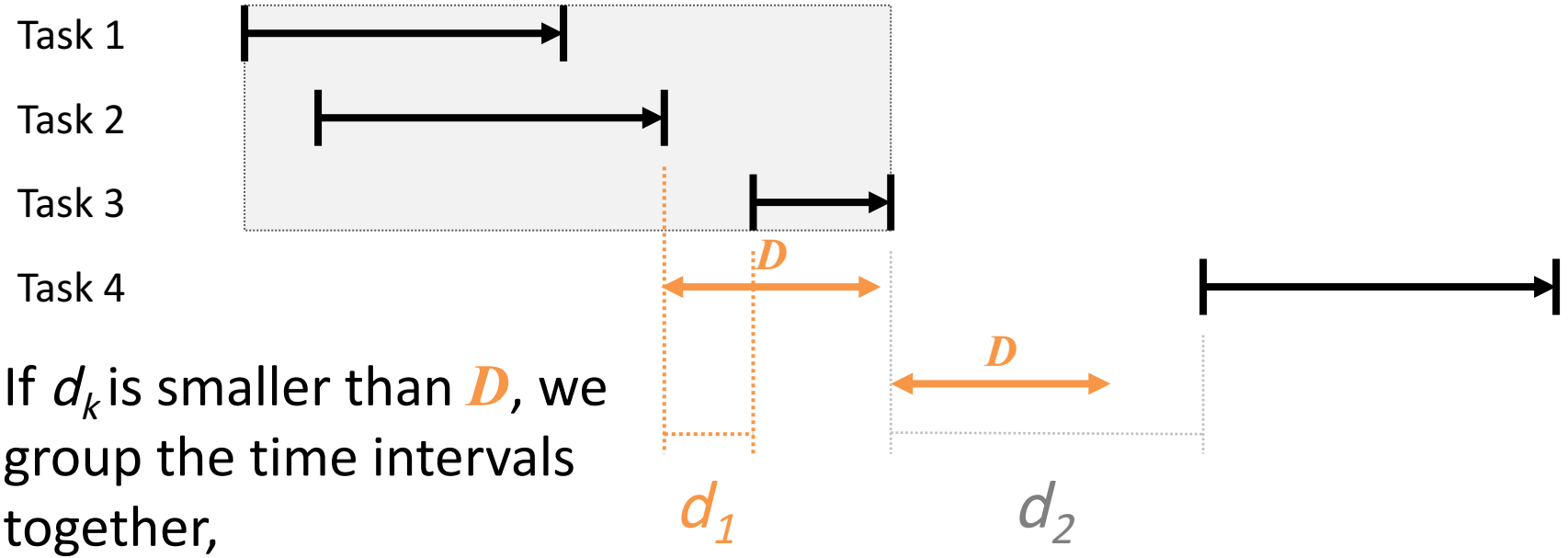


Temporal Clustering



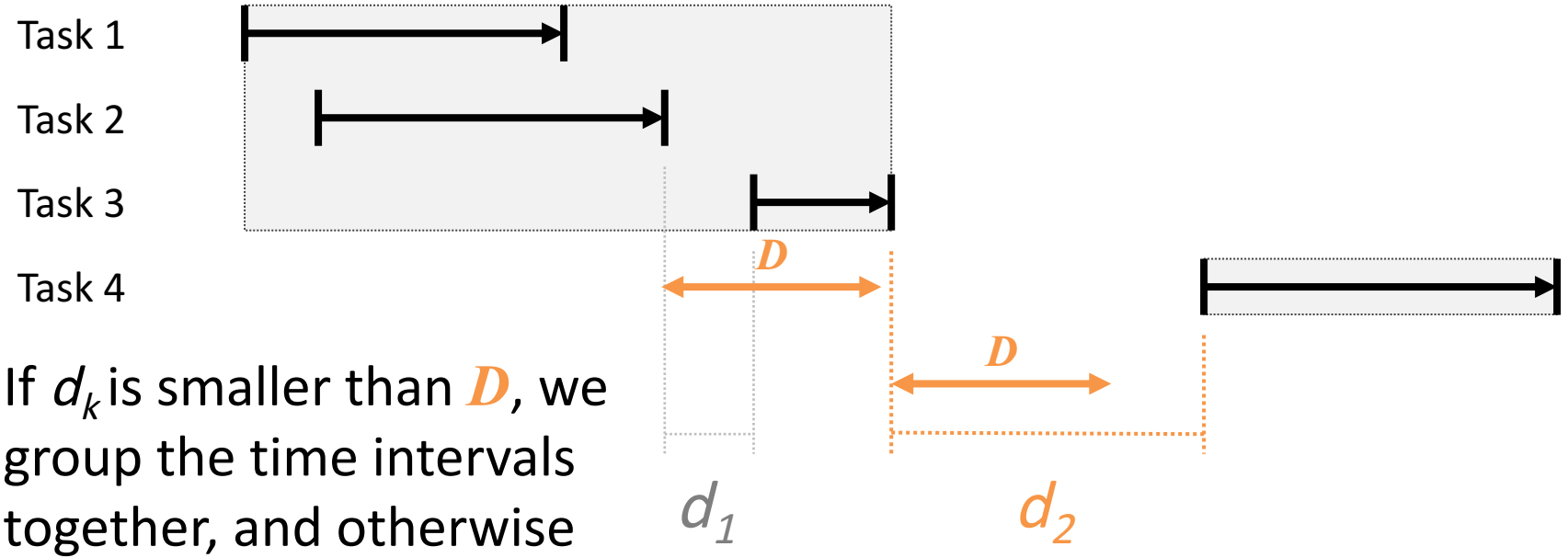
If d_k is smaller than D,

Temporal Clustering



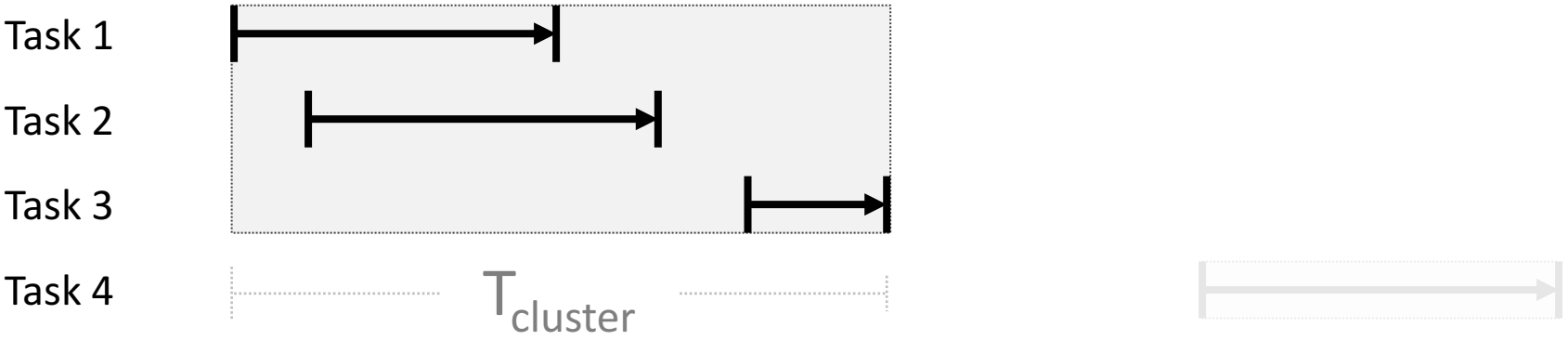
If d_k is smaller than D, we group the time intervals together,

Temporal Clustering



If d_k is smaller than D, we group the time intervals together, and otherwise keep them disjoint

Temporal Clustering: Cluster-based Hourly Wage



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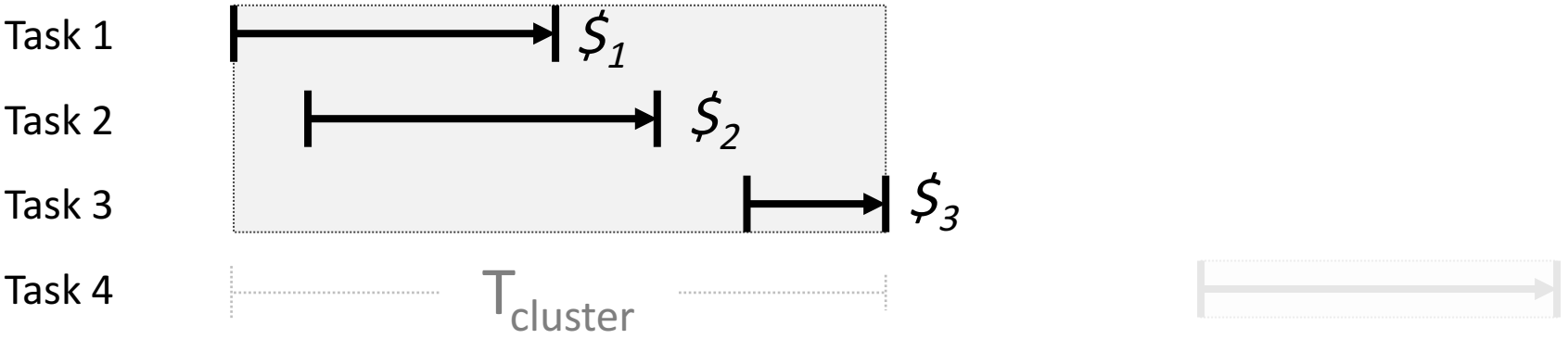

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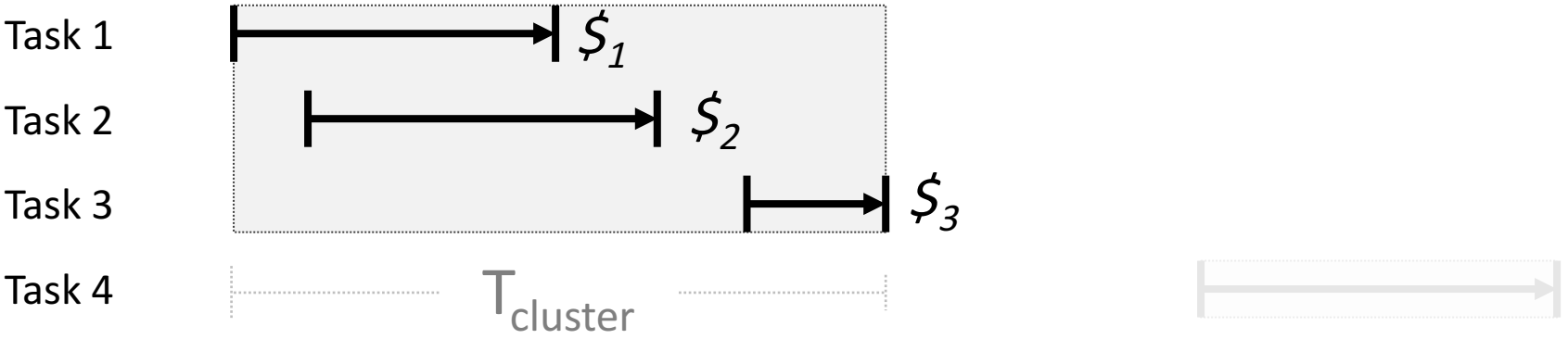

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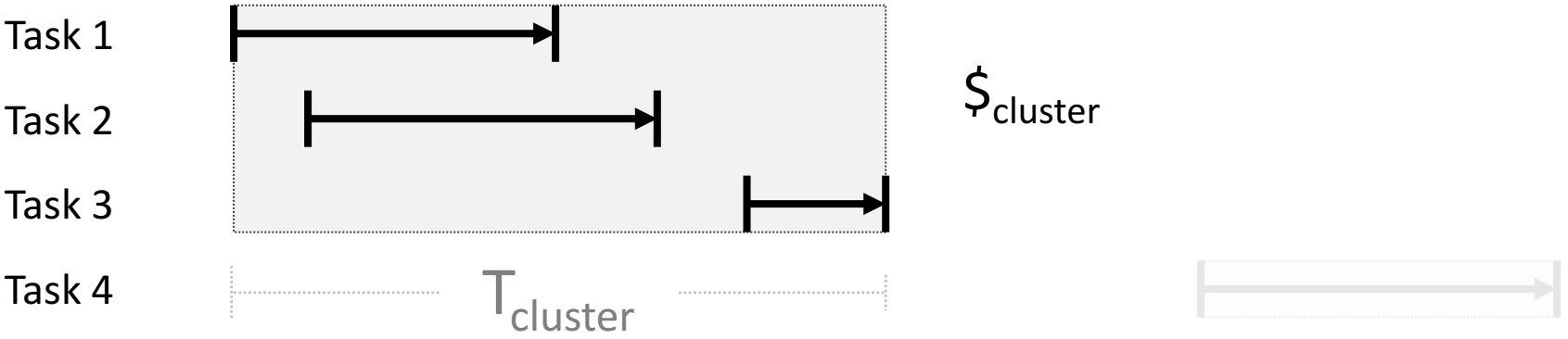
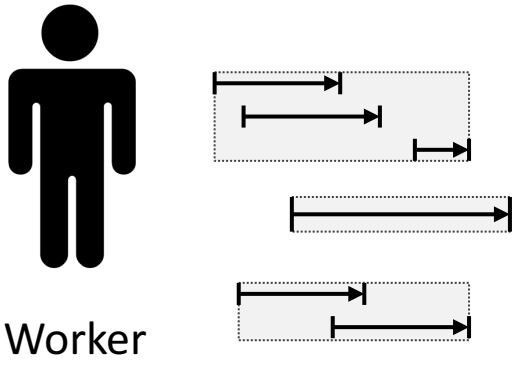


We define **per-cluster hourly wage as $\$_{cluster}$ / $T_{cluster}$**

Temporal Clustering: Cluster-based Hourly Wage

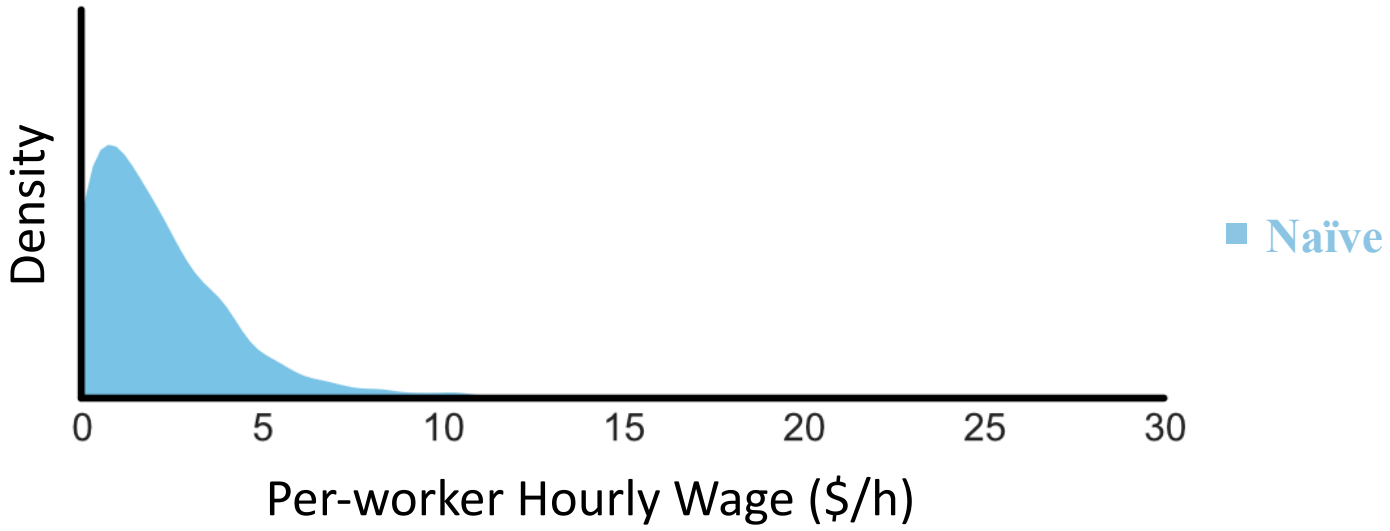


$$\frac{\sum \text{Cluster Reward (\$)}}{\sum \text{Cluster Interval}} = \text{Per-worker Hourly Wage with Clustering}$$

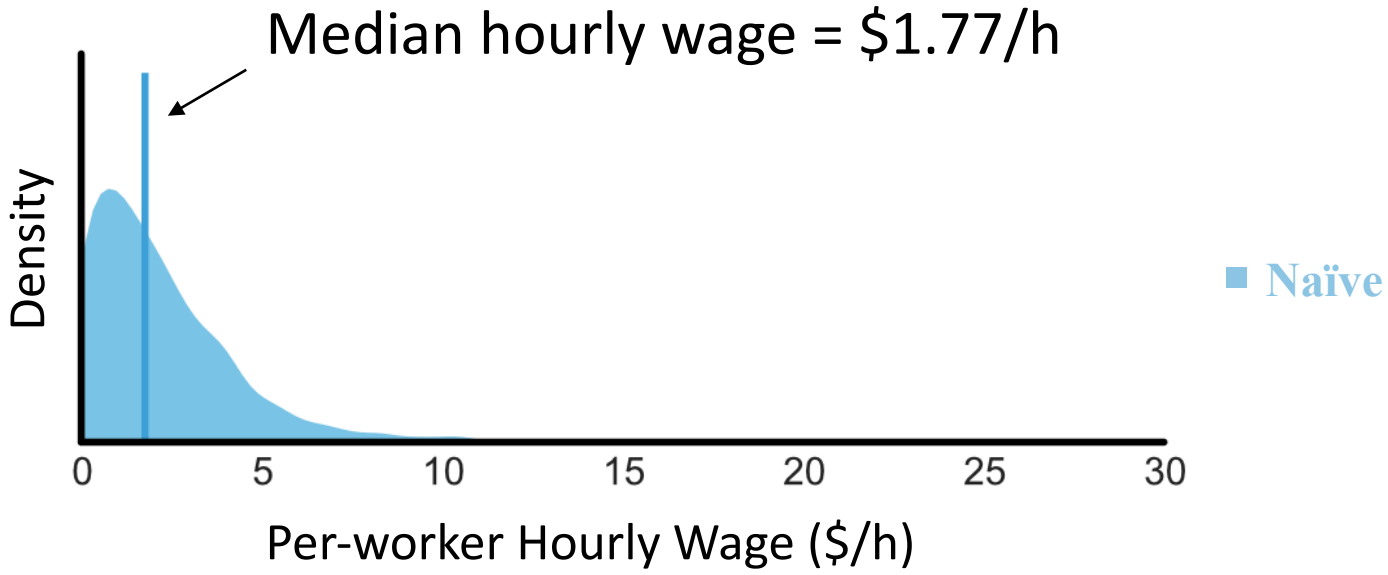
Because different choice of *D* yield different sets of clusters, we use *D*=0 and *D*=1 minute and see their effects on cluster-based hourly wages

Worker Hourly Wage: Result (Naïve)

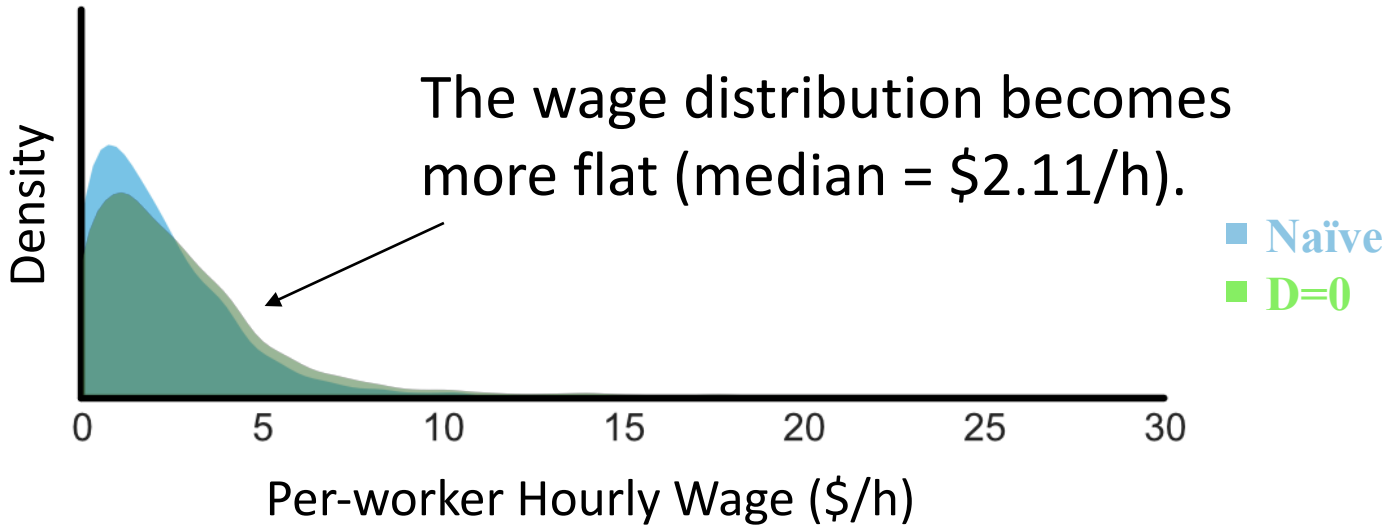
Worker Hourly Wage: Result (Naïve)



Worker Hourly Wage: Result (Naïve)

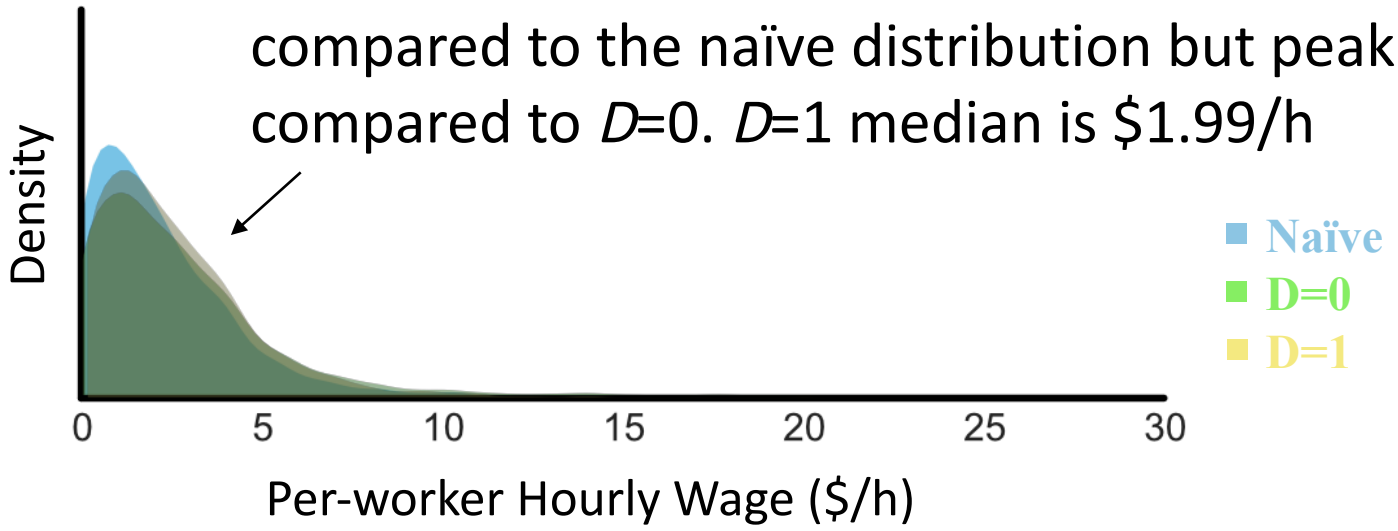


Worker Hourly Wage: Result (Clustered)

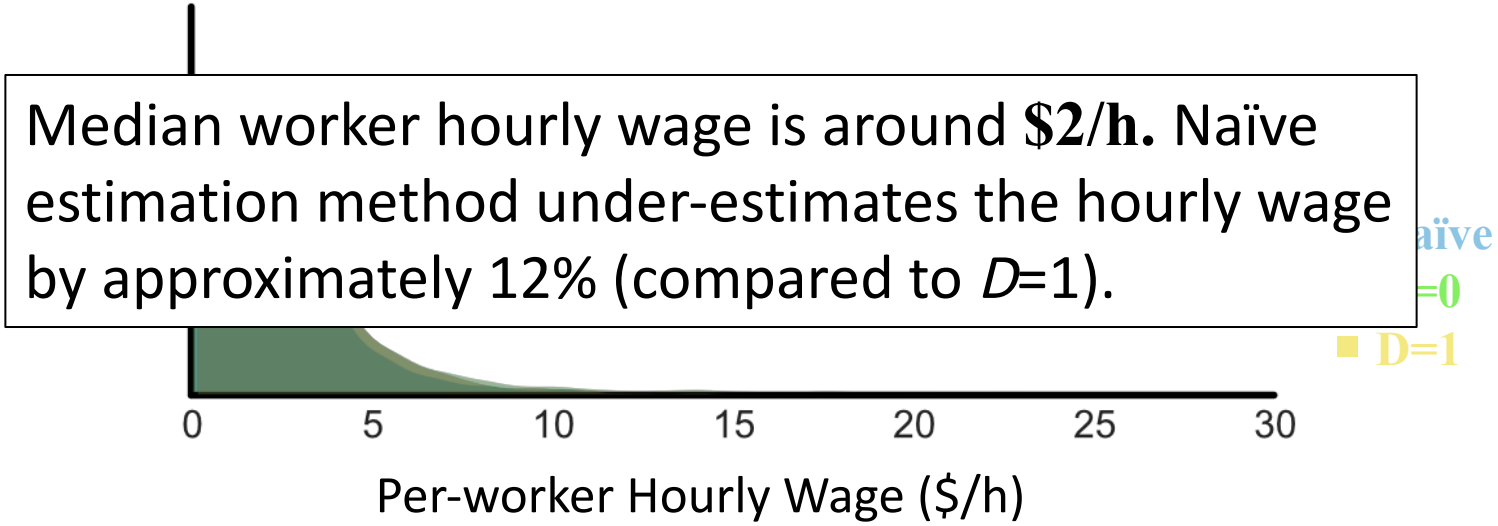


Worker Hourly Wage: Result (Clustered)

The *D*=1 wage distribution is more flat compared to the naïve distribution but peakier compared to *D*=0. *D*=1 median is $1.99/h



Worker Hourly Wage: Result



Takeaway 1

The majority of workers on Amazon Mechanical Turk work with **hourly wage below $2/h**

Research Questions

How much are workers earning on Amazon Mechanical Turk?

What contributes to the low wage?

Research Questions

How much are workers earning on Amazon Mechanical Turk?

What contributes to the low wage?

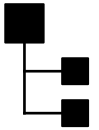
What contributes to the low wage?

Unpaid work

Low reward

Requesters

Qualifications



Task types

What contributes to the low wage?

Unpaid work

Low reward

Requesters

Qualifications

Task types

What contributes to the low wage?

Unpaid work

Low reward

Requesters

Qualifications

Task types

Being A Turker

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ABSTRACT
We conducted an ethnomethdological analysis of publicly available content on Turker Nation, a general forum for Amazon Mechanical Turk (AMT) users. Using forum data we provide novel depth and detail on how the Turker Nation members operate as economic actors, working out which Requesters and jobs are worthwhile to them. We show some of the key ways Turker Nation functions as a community and also look further into Turker-Requester relationships from the Turker perspective – considering practical, emotional and moral aspects. Finally, following Star and Strauss [25] we analyse Turking as a form of invisible work. We do this to illustrate practical and ethical issues relating to working with Turkers and AMT, and to promote design directions to support Turkers and their relationships with Requesters.

Author Keywords
Ethnomethodology; content analysis; crowdsourcing; microtasking; Amazon Mechanical Turk; Turker Nation.

ACM Classification Keywords
H.5.3 Group and Organizational Interfaces – Computer, Supported Cooperative Work

General Terms
Human Factors

INTRODUCTION
The concept of crowdsourcing was originally defined by Jeff Howe of Wired Magazine as "*the act of a company or institution taking a function once performed by employees and outsourcing it to an undefined (and generally large) network of people in the form of an open call*." [8] This 'undefined network of people' is the key topic of this article. We present the findings of an ethnomethodological analysis of posts and threads on a crowdsourcing forum called Turker Nation[1]. We have sought to understand members of the crowd – their *reasoning practices, concerns*, and *relationships with requesters and each other* – as they are shown in their posts on the forum. We seek to present them as faithfully as possible, in their own words, in order to provide more definition to this network of people. We believe that this will be beneficial for researchers and businesses working within the crowdsourcing space.

Crowdsourcing encompasses multiple types of activity: invention, project work, creative activities, and microtasking. This latter is our focus here. The most well-known microtask platform is Amazon Mechanical Turk (AMT)[2], and the Turker Nation forum that we studied is dedicated to users of this platform. The basic philosophy of microtasking and AMT is to delegate tasks that are difficult for computers to do to a human workforce. This has been termed 'artificial artificial intelligence'. Tasks like image tagging, duplicate recognition, translation, transcription, object classification, and content generation are common. 'Requesters' (the AMT term for people who have work to be completed) post multiple, similar jobs as Human Intelligence Tasks (HITs), which can then be taken up by registered 'Turkers'. Turkers (termed 'Providers' by AMT) are the users completing the HITs, which typically take seconds or minutes paid at a few cents at a time.

For Amazon, the innovative idea was to have an efficient and cost effective way to curate and manage the quality of content on their vast databases (weeding out duplicates, vulgar content, etc.). While Amazon is still a big Requester, AMT has been deployed as a platform and connects a wide variety of Requesters with up to 500,000 Providers. However, Fort et al. [6] have performed an analysis on the available data and suggest that real number of active Turkers is between 15,059 and 42,912; and that 80% of the tasks are carried out by the 20% most active (3,011–8,582) Turkers. While these numbers are useful, the research community still has little deep qualitative knowledge about this workforce. Questions remain unanswered such as: how and what do they look for in jobs; what are their concerns; and how do they relate to requestors?

LITERATURE REVIEW
To date much of the research on AMT takes the employers' perspective, e.g. [14, 15, 17, 18], and this has in turn been highlighted [6, 16]. Silberman et al. [23] note that this mainstream research looks at how: *"[to] motivate better, cheaper and faster worker performance […] to get good*

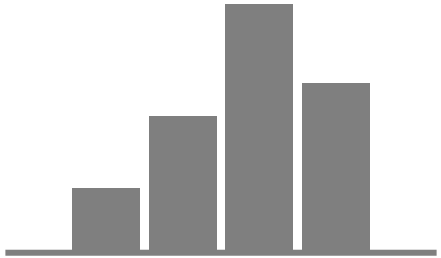
CSCW '13, February 23–27, 2013, San Antonio, Texas, USA.

[1] http://turkernation.com/forum.php

[2] http://www.mturk.com

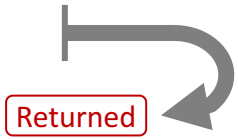
> […] aspects of turking [(working on Amazon Mechanical Turk)] like simply searching for jobs can take a considerable amount time.
>
> The time spent learning and searching are clear examples of invisible [(unpaid)] work that Turkers must engage in […].

Martin *et al.*, (2014) *Being a Turker*, CSCW 2014



The issue of unpaid work has been identified in prior work, but **its effects are not quantified**

We quantify three types of unpaid work

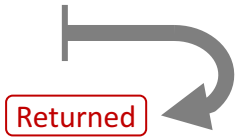


Time spent on
returned tasks

Time spent on
rejected tasks

Time
between tasks

We quantify three types of unpaid work



Time spent on
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Time
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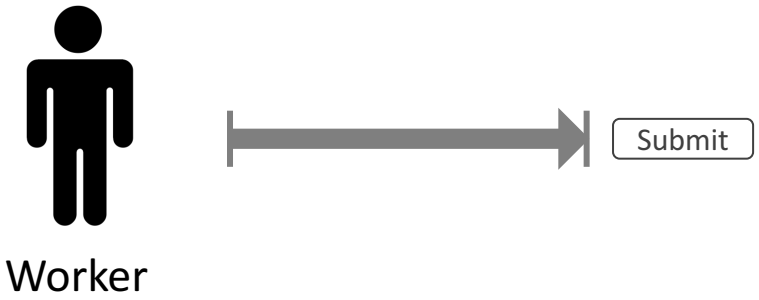
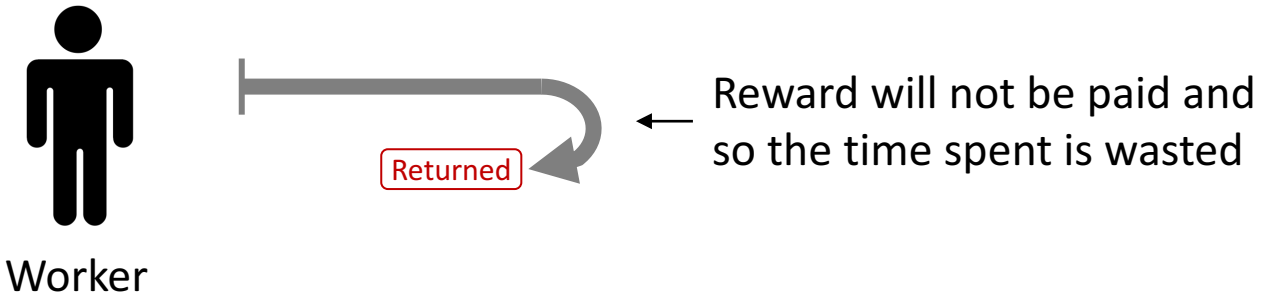
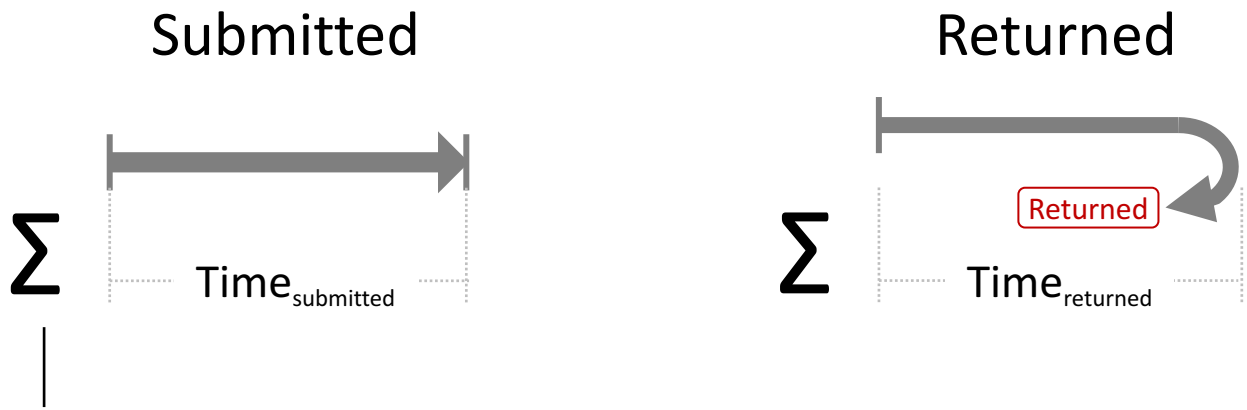
Task Submit and Return



Task Submit and Return



Time Spent on **Returned Tasks**

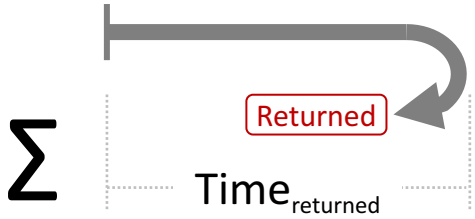


Time Spent on **Returned Tasks: Result**

Submitted

= 98,202 hours (68.2%)

Returned



= 45,778 hours (31.8%)

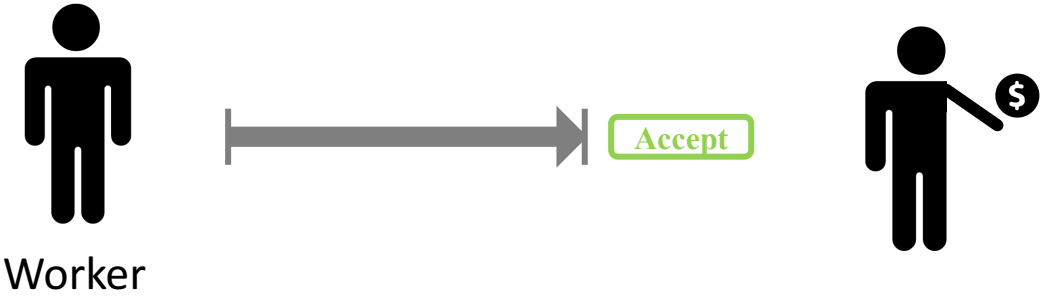
We quantify three types of unpaid work

Time spent on
returned tasks

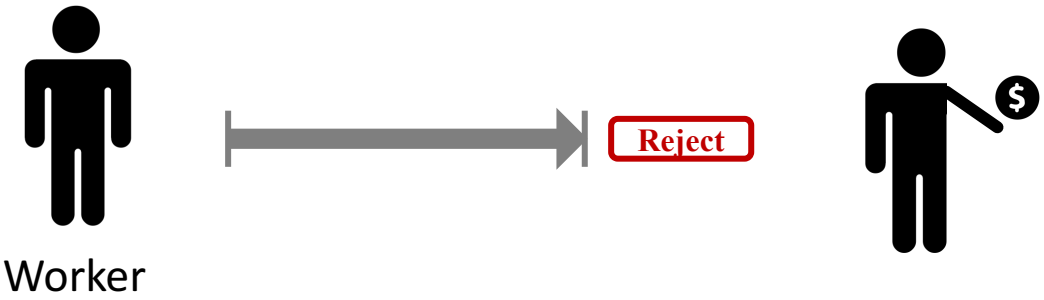
Time spent on
rejected tasks

Time
between tasks

Task **Accept** and Reject

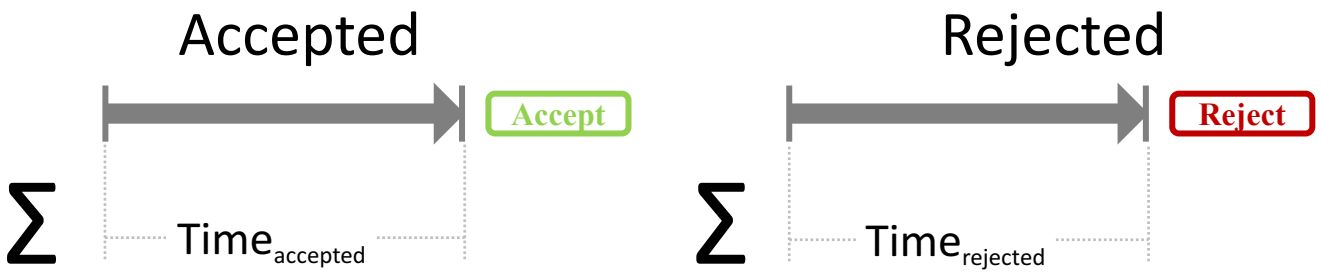


Task Accept and **Reject**



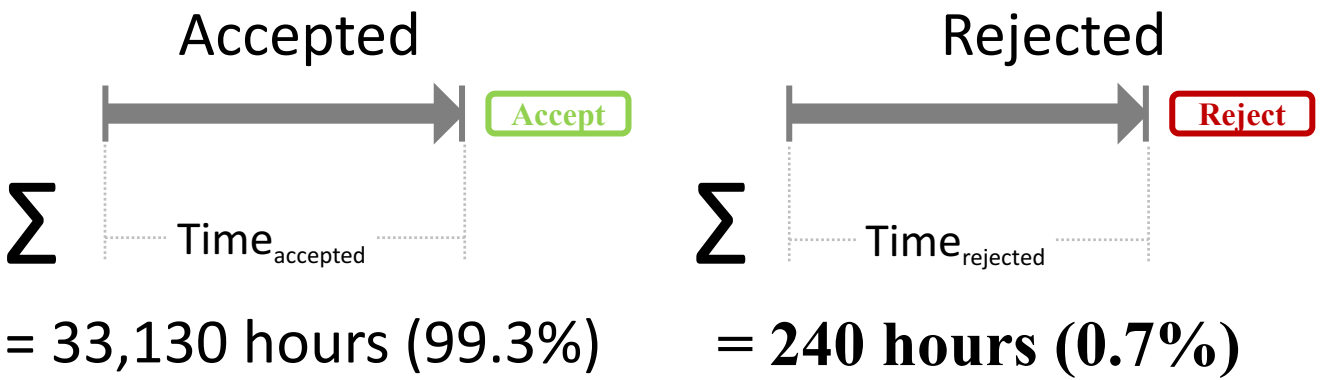
Time Spent on **Rejected Tasks**

We had data on task accept *vs.* reject status for 29.6% of the submitted tasks



Time Spent on **Rejected Tasks: Result**

We had data on task accept *vs.* reject status for 29.6% of the submitted tasks



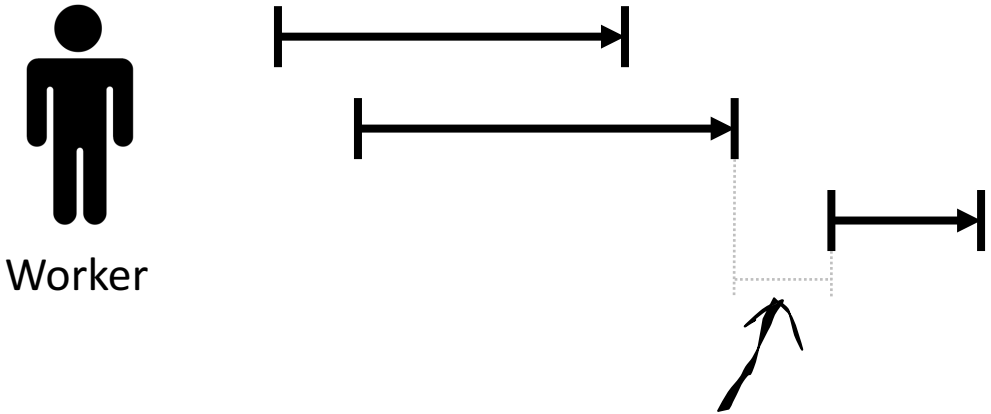
We quantify three types of unpaid work

Time spent on **returned tasks**

Time spent on **rejected tasks**

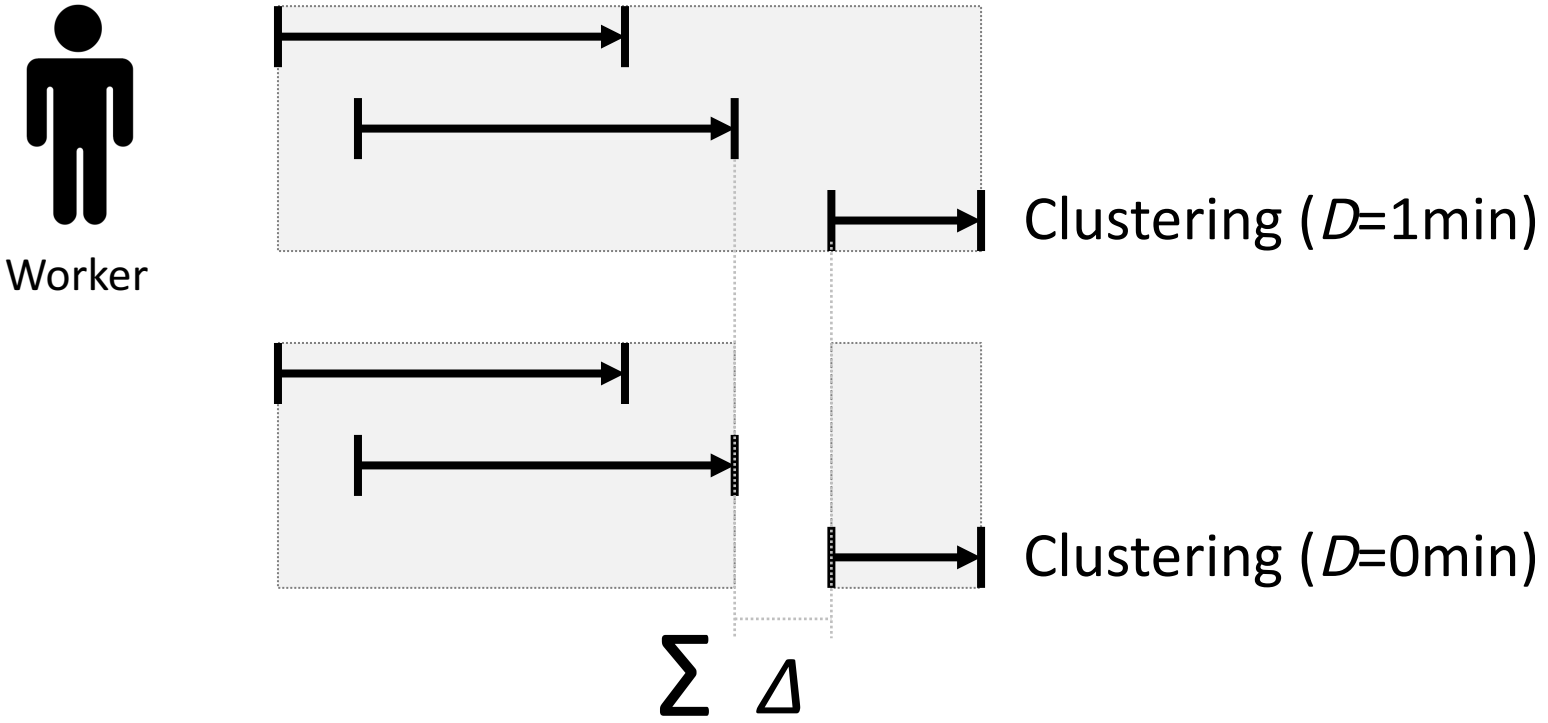
Time **between tasks**

Time **Between Tasks**



We want to know the effect of this small gap between tasks (*e.g.,* task search time)

Time **Between Tasks**



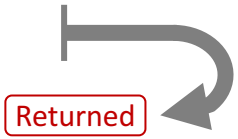
Time **Between Tasks: Result**

$$\sum \Delta = 4{,}603 \text{ hours}$$

Result

45,778 hours

31.8% of work



240 hours

0.7% of work

4,603 hours

4.7% of work

Takeaway 2

Returning tasks has the biggest impact on the hourly wage. In fact, **31.8% of work time is wasted due to this unpaid work.**

What contributes to the low wage?

Unpaid work

Low reward

Requesters

Qualifications

Task types

What contributes to the low wage?

Unpaid work

Low reward

Requesters

Qualifications

Task types

Workers are underpaid.

< $2/h

< $2/h

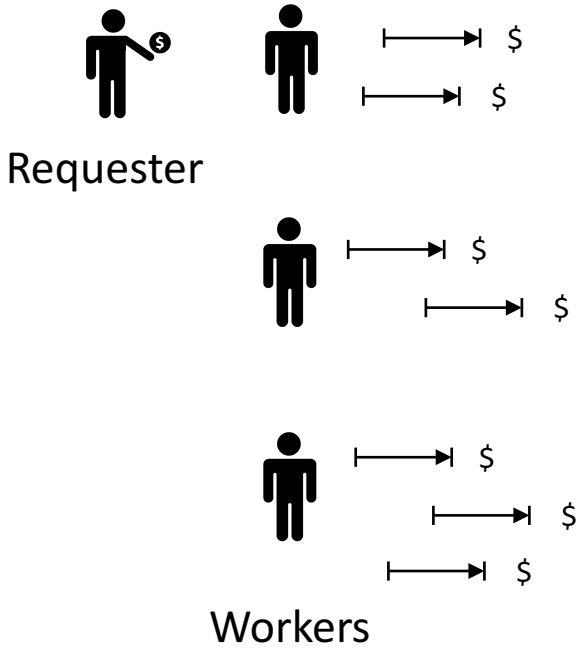
Workers are underpaid. Is this because all requesters treat workers unfairly,

< $2/h

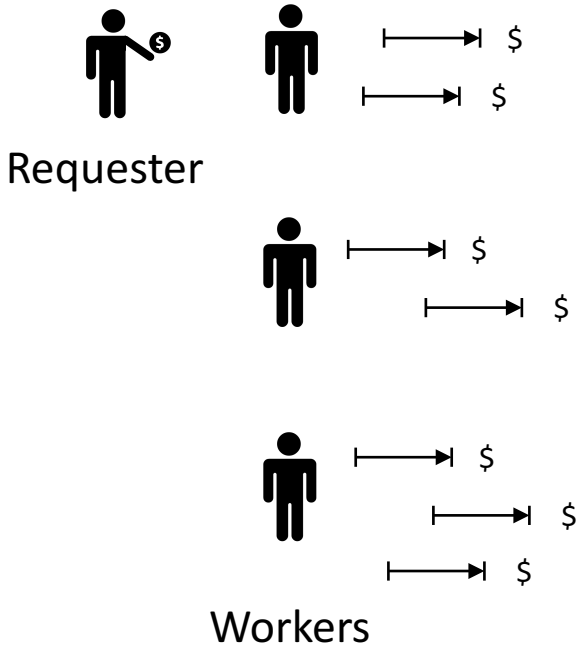
Workers are underpaid. Is this because all requesters treat workers unfairly, or are there a small number of requesters who post many very low paid tasks?

We investigated the distribution of **per-requester hourly payment**

Per-requester Hourly Payment



Per-requester Hourly Payment



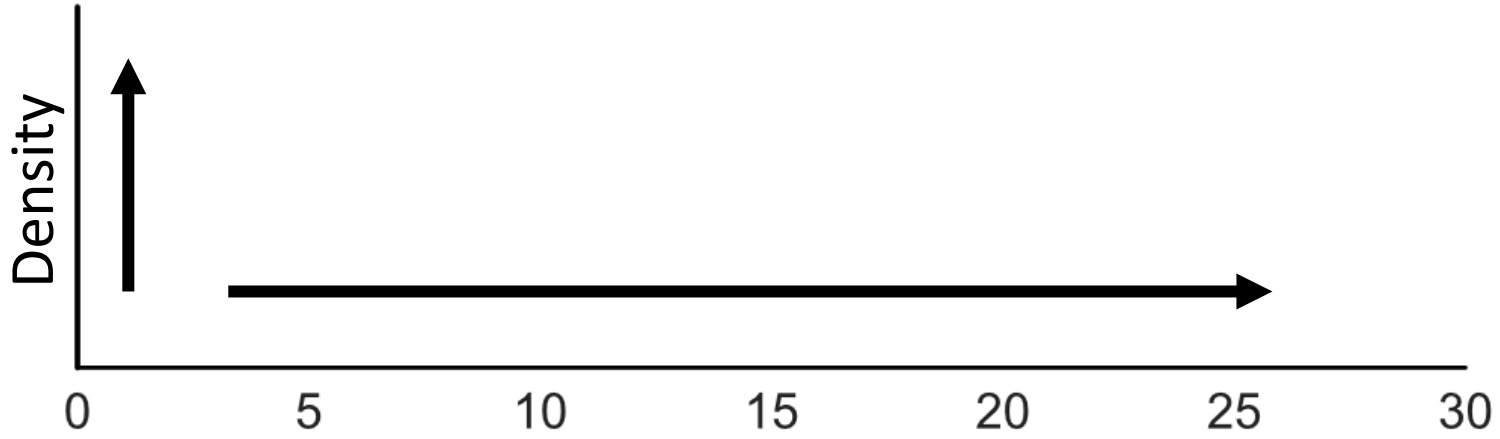
Per-requester Hourly Payment

Requester

Workers

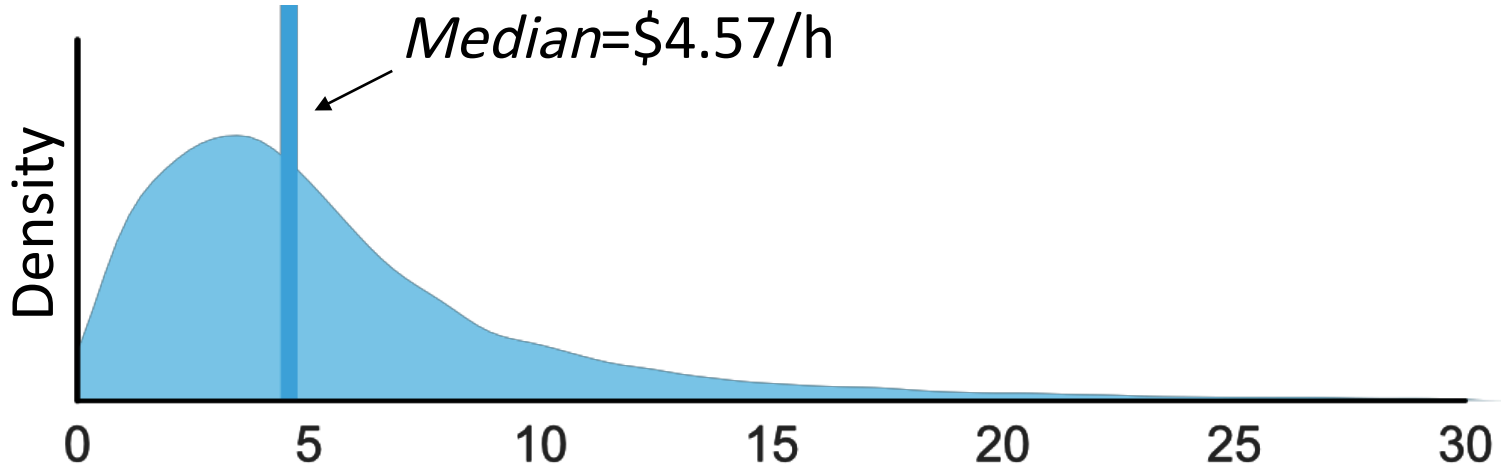
$$\frac{\sum \text{Task Payment (\$)}}{\sum \text{Task Interval}} = \text{Per-requester Hourly Payment}$$

Per-requester Hourly Payment: Result



N=19,598 requesters

Per-requester Hourly Payment: Result



N=19,598 requesters

Takeaway 3

About half of the requesters pay below $5/h, which is below the U.S. federal minimum wage.

Takeaways

< $2/h

Crowd workers are underpaid and they often earn below $2/h

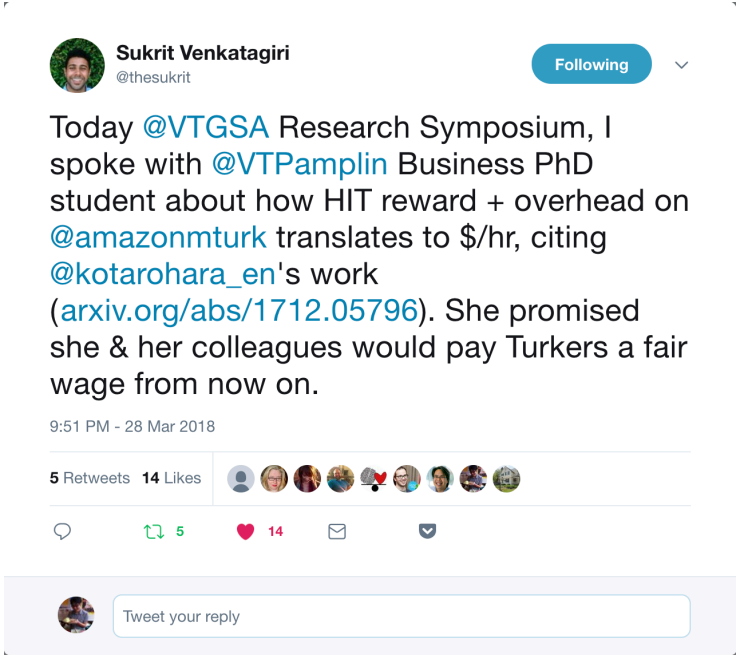
Unpaid work, particularly returning tasks has a large impact on the hourly wage

Majority of the requesters reward workers below $5/h

Discussion and Future Work

- Could we create **tools for workers** to make it easier to search for tasks that give them good wage, avoid tasks that are not completable, and find requesters fair wage?
- Could we create **technologies for requesters** to help them pay fairly?

Discussion and Future Work



How can we nudge more people to pledge and help them keep committing to their promises?

Jobs in the platform economy

In Search of Uber's Unicorn

The ride-sharing service says its median driver makes close to six figures. But the math just doesn't add up.

By *Alison Griswold*

An Uber driver waits for customers in his car in Beverly Hills, California.

Photo by Lucy Nicholson/Reuters

Paychecks, Paydays, and the Online Platform Economy

February 2016

Big Data on Income Volatility

Source: JPMorgan Chase Institute

From a Universe of 28 Million People

- A checking account in every month between October 2012 and September 2015
- At least five outflows in every month between October 2012 and September 2015

6 Million People

Random Sample

- Income received at least once over the 36 months from one of 30 distinct platforms

1 Million People

260,000 People
Online Platform Economy Participants

Identifying income and jobs:

1.9 Billion Inflow Transactions

Amount, date and time, transaction description, and channel

Categorize income components

Income Categories

Labor income
Payroll, other direct deposits

Capital income
Annuities, dividends, interest income

Government income
Tax refunds, unemployment, Social Security

Other
ATM deposits, unclassified income

Identify jobs

Jobs

Job Transitions

Job Pay Attributes
Paycheck amounts
Pay frequency

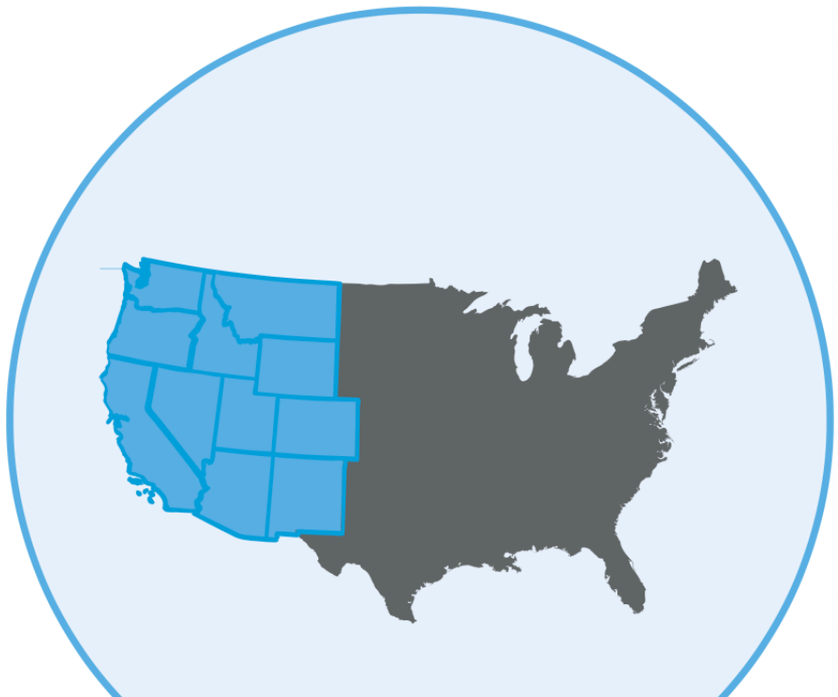
Source: JPMorgan Chase Institute

Income Volatility Among U.S. Individuals

The percentage of people who experienced more than a 30 percent month-to-month change in total income:

70%
Aged 18-24

74%
Bottom Income Quintile



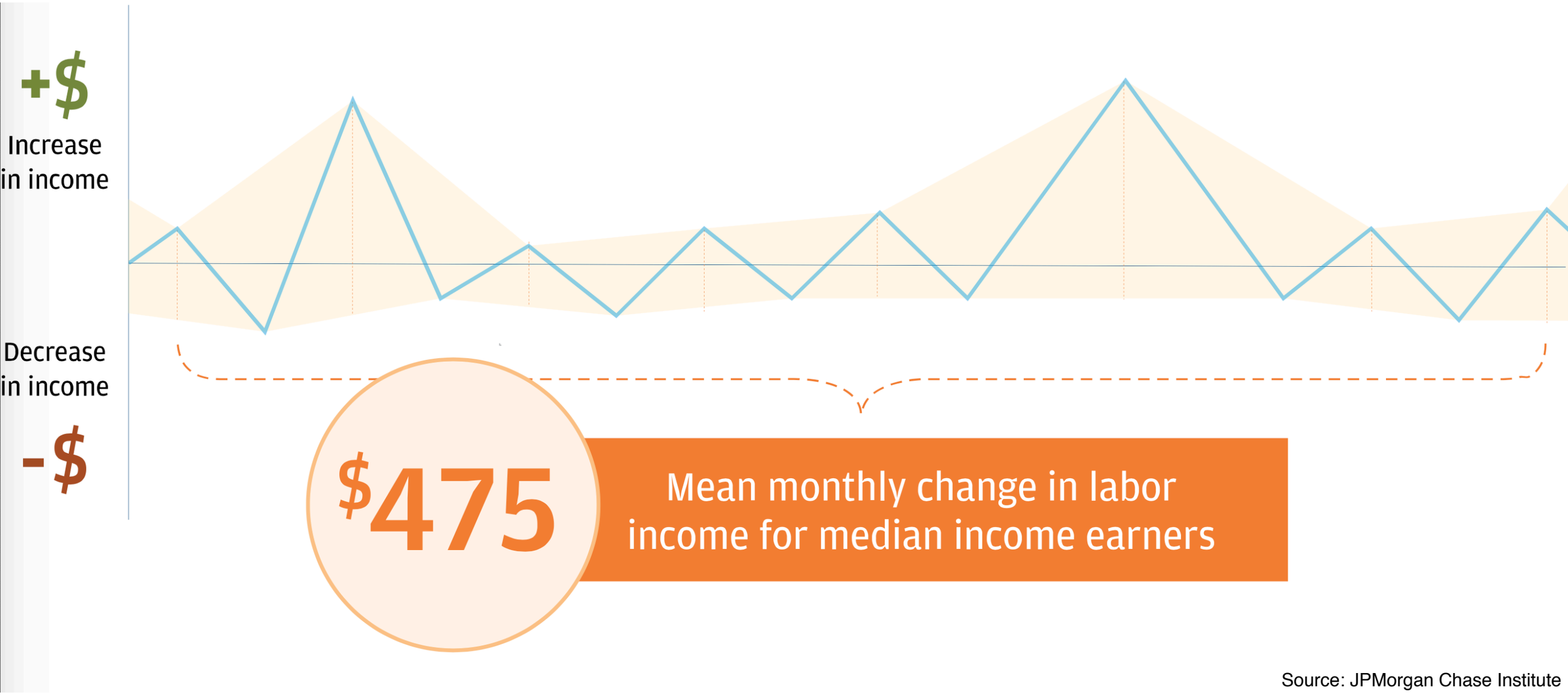
60%
People in the West

National Average **55%**

Source: JPMorgan Chase Institute

Income Volatility Among U.S. Individuals

Median income individuals experienced nearly $500 in labor income fluctuations across months, with spikes in earnings larger but less frequent than dips.



Source: JPMorgan Chase Institute

Income Volatility Among U.S. Individuals

Sources of Monthly Changes in Labor Income

86% Variation in pay within distinct jobs

72% Variation in paycheck amount
(bonus, hours, etc.)

14%
Job transitions

28%
Paycheck frequency
(five-Friday month)

Median individuals experienced a $1,108 change in monthly income when they gained or lost a job and $830 when they switched jobs.

Almost four in 10 individuals experienced a job transition over the course of a year.

Source: JPMorgan Chase Institute

The Online Platform Economy

Online Platform Economy Attributes

- Connects workers or sellers directly to customers
- Allows people to work when they want
- Sellers are paid for a single task or good at a time
- Payment passes through the platform

Payment Received

Labor Platforms

Participants perform discrete tasks

Capital Platforms

Participants sell goods or rent assets

FOR RENT

Uber

TaskRabbit

ebay

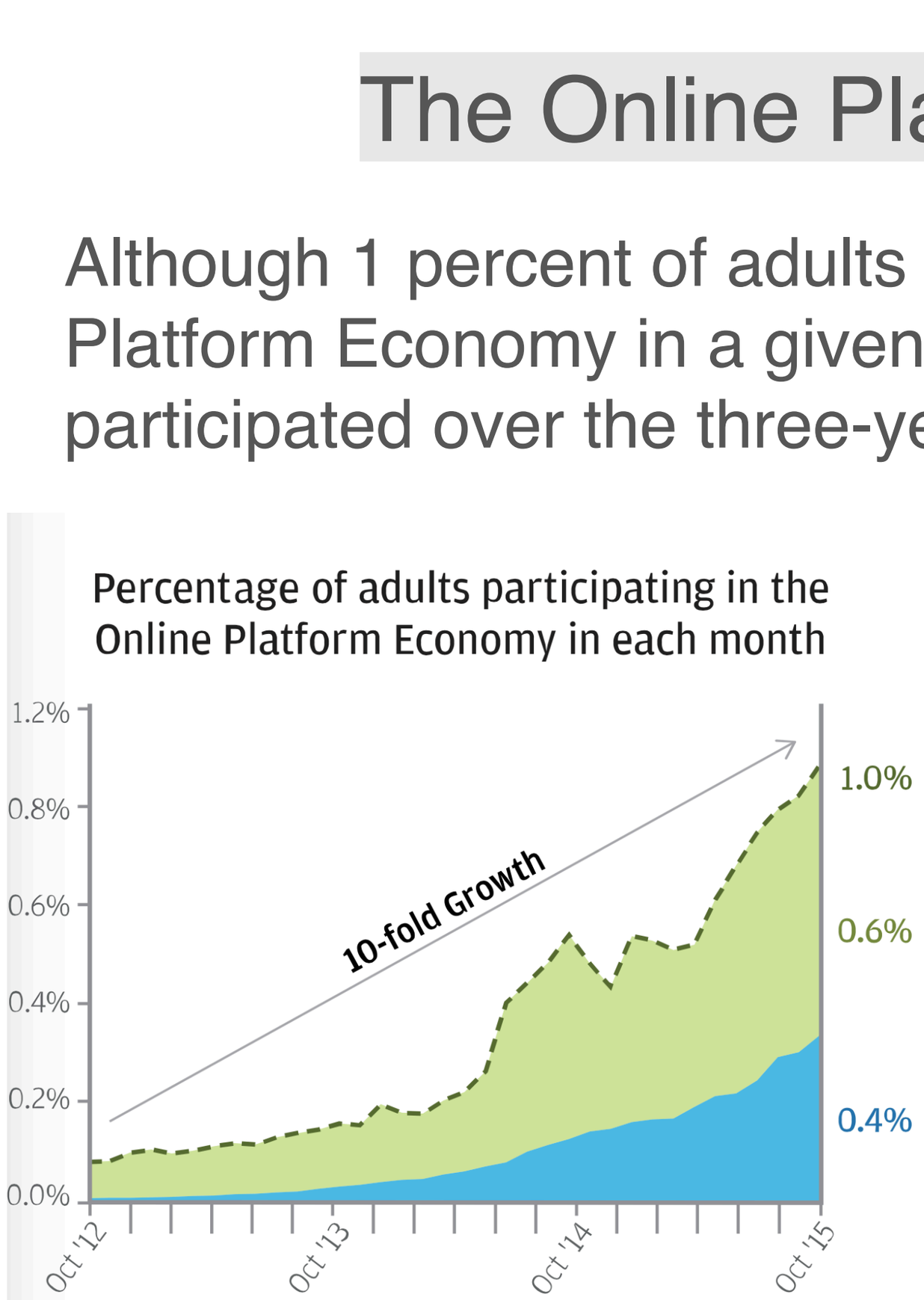
airbnb

Source: JPMorgan Chase Institute

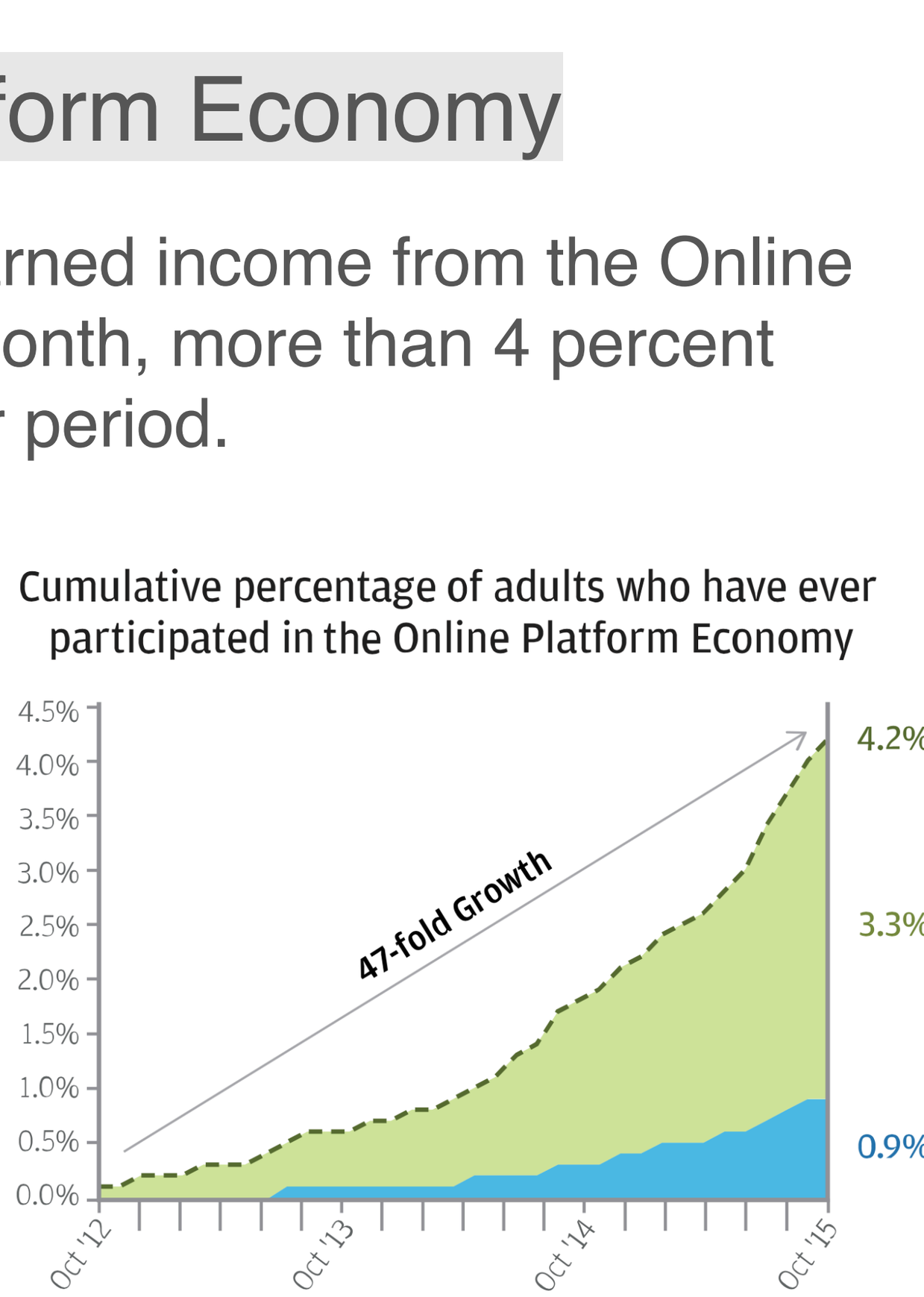
The Online Platform Economy

Although 1 percent of adults earned income from the Online Platform Economy in a given month, more than 4 percent participated over the three-year period.

Percentage of adults participating in the Online Platform Economy in each month



Cumulative percentage of adults who have ever participated in the Online Platform Economy



Labor Platforms Capital Platforms Total

Source: JPMorgan Chase Institute

The Online Platform Economy

The Online Platform Economy was a secondary source of income, and participants did not increase their reliance on platform earnings over time.

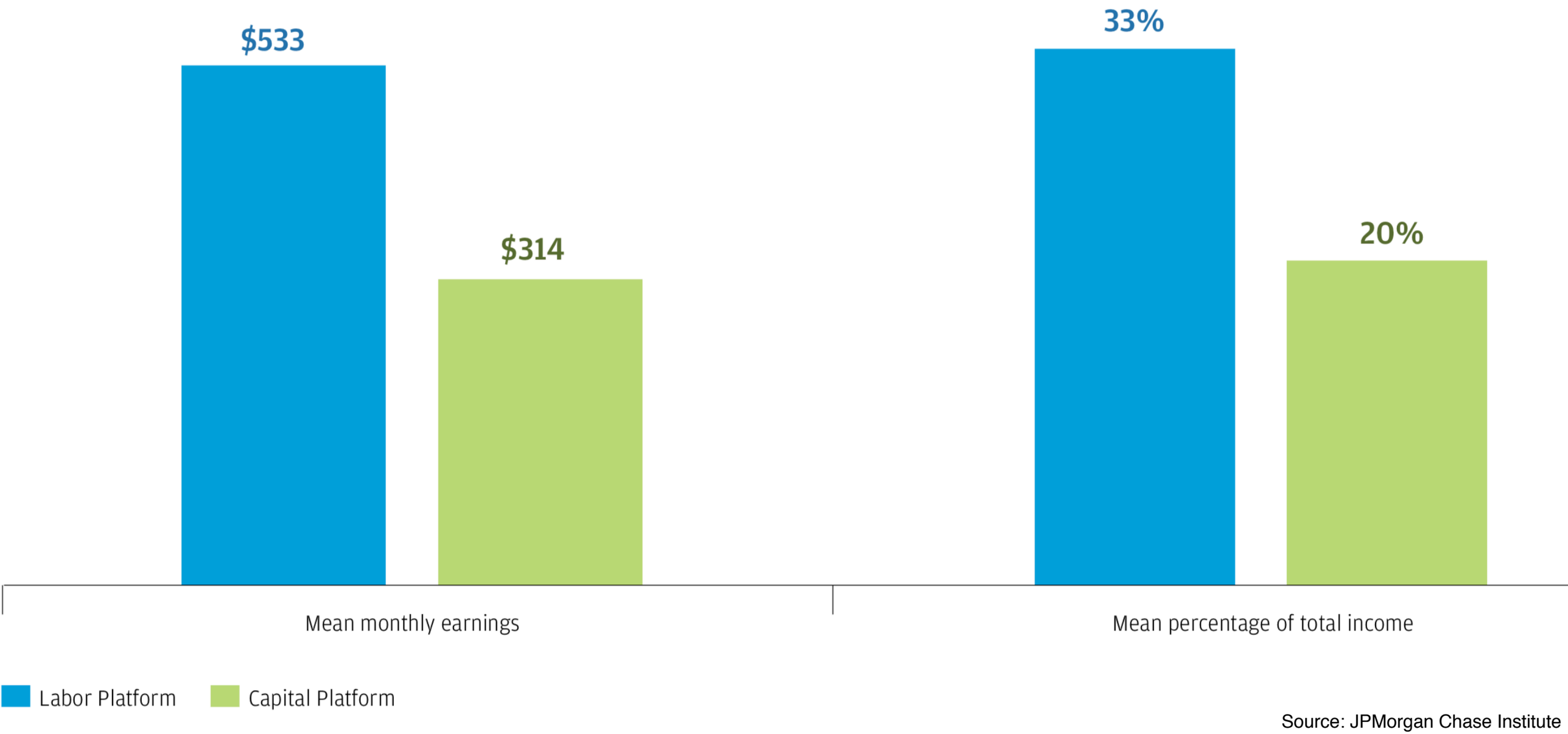
Labor platform participants were active 56% of the time. While active, platform earnings equated to 33% of total income.

Capital platform participants were active 32% of the time. While active, platform earnings equated to 20% of total income.

Source: JPMorgan Chase Institute

The Online Platform Economy

Monthly platform earnings in active months, in dollars and as a percentage of total income

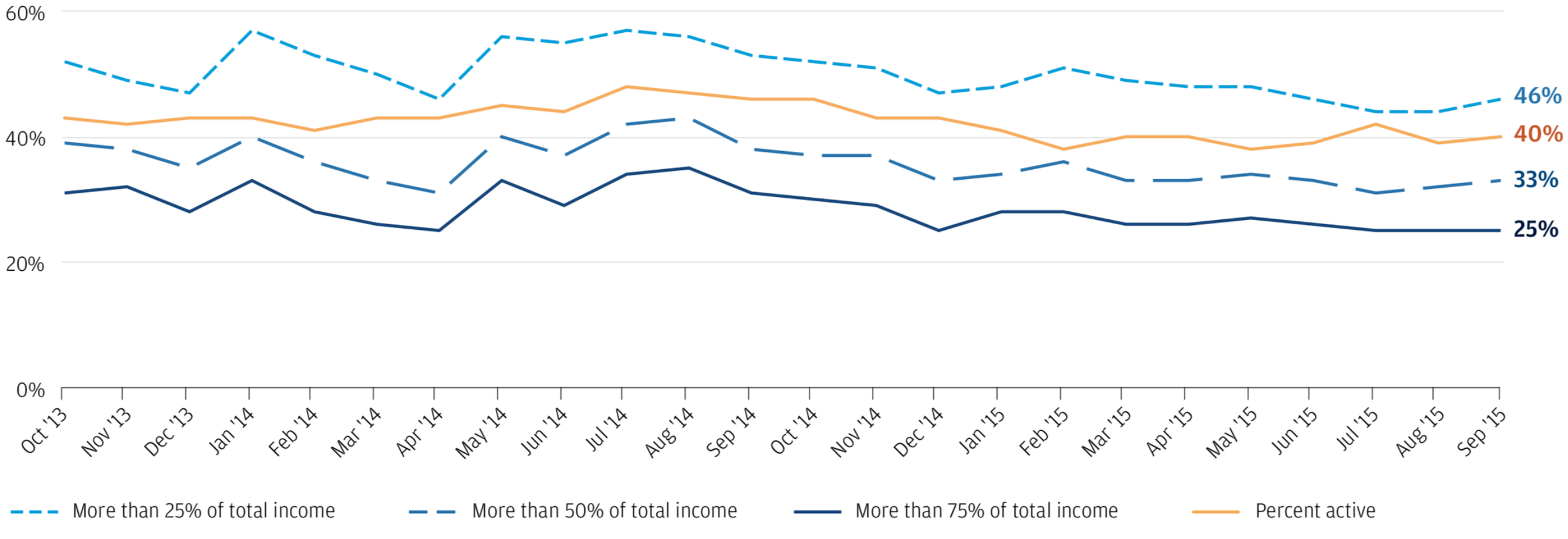


Source: JPMorgan Chase Institute

The Online Platform Economy

Almost half of active labor participants (46%) relied on labor platforms for more than 25% of their income. In any given month, 40% of all individuals who participated in labor platforms were actively earning on them.

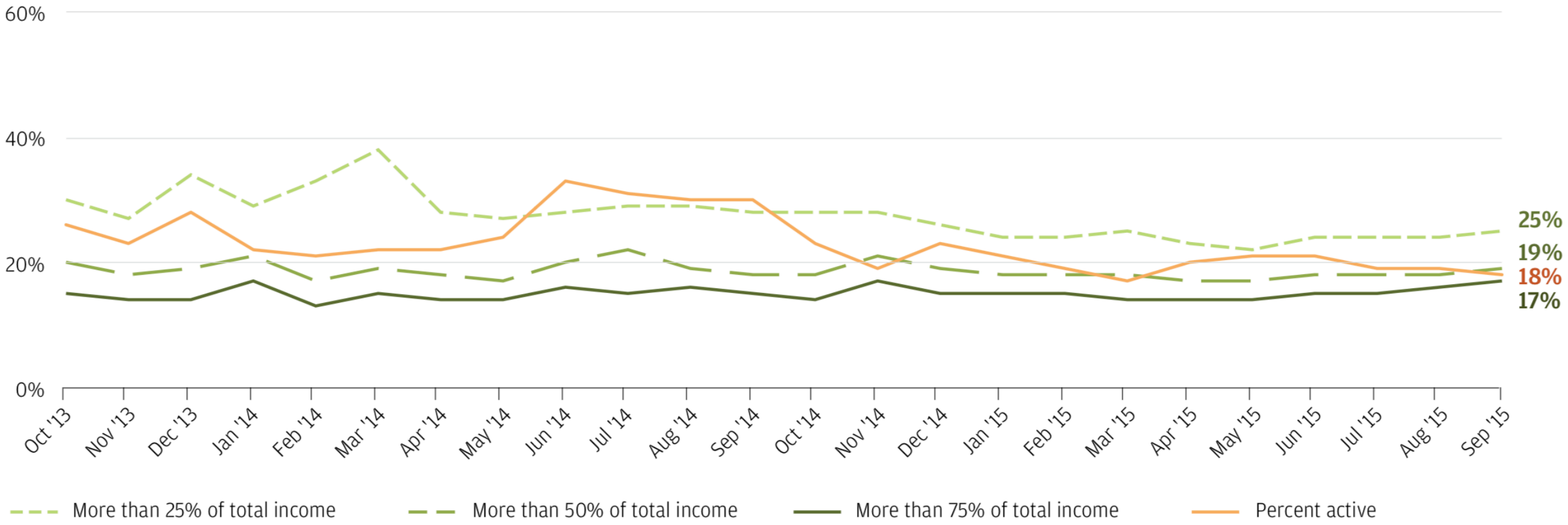
Reliance on, and active participation in, labor platforms



The Online Platform Economy

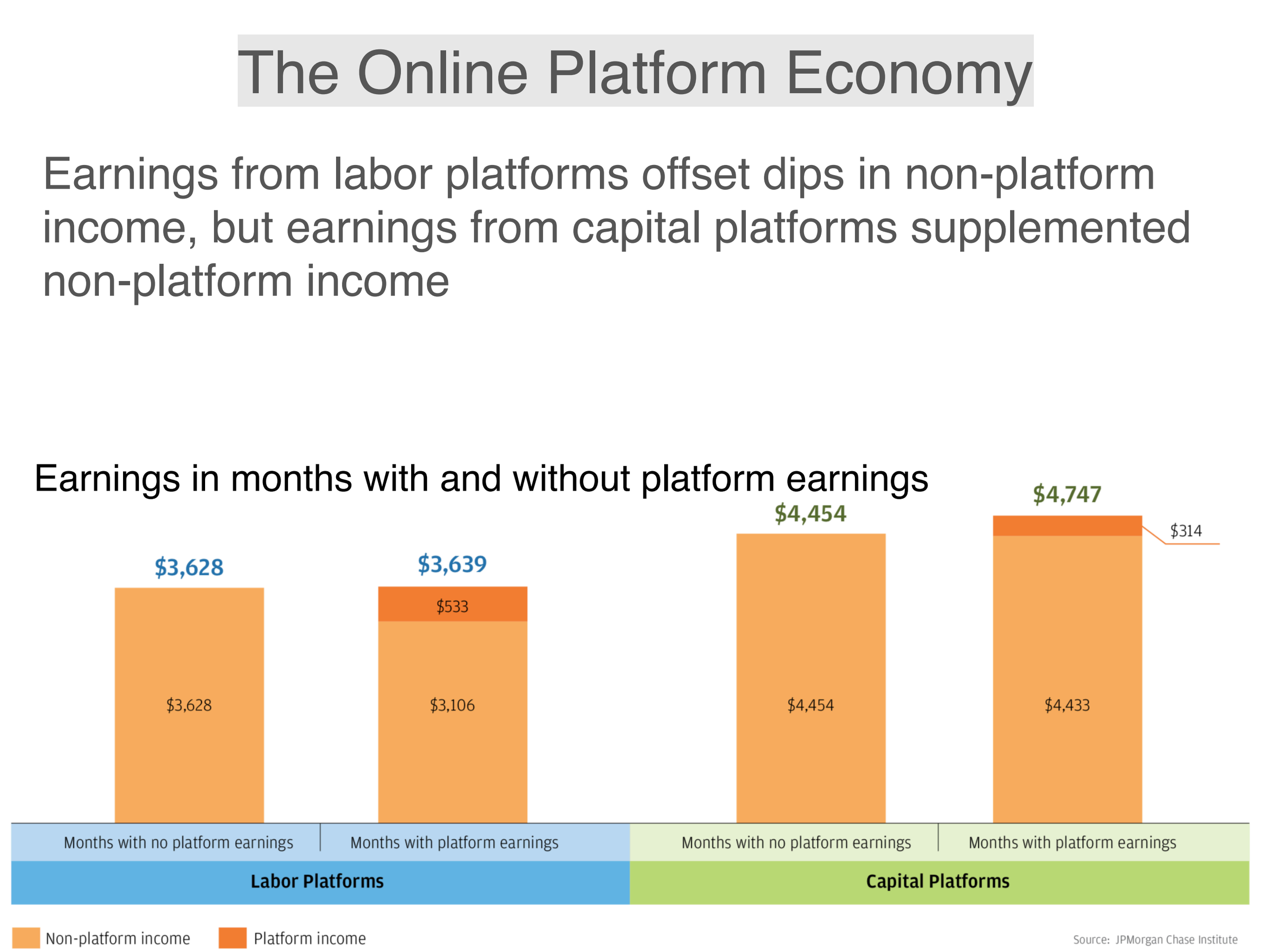
Reliance on capital platforms was significantly lower than on labor platforms. 25% of active participants relied on capital platforms for more than 25% of their income, including 17% of active participants who earned 75% or more of their total income from capital platforms.

Reliance on, and active participation in, capital platforms



The Online Platform Economy

Earnings from labor platforms offset dips in non-platform income, but earnings from capital platforms supplemented non-platform income



The Online Platform Economy

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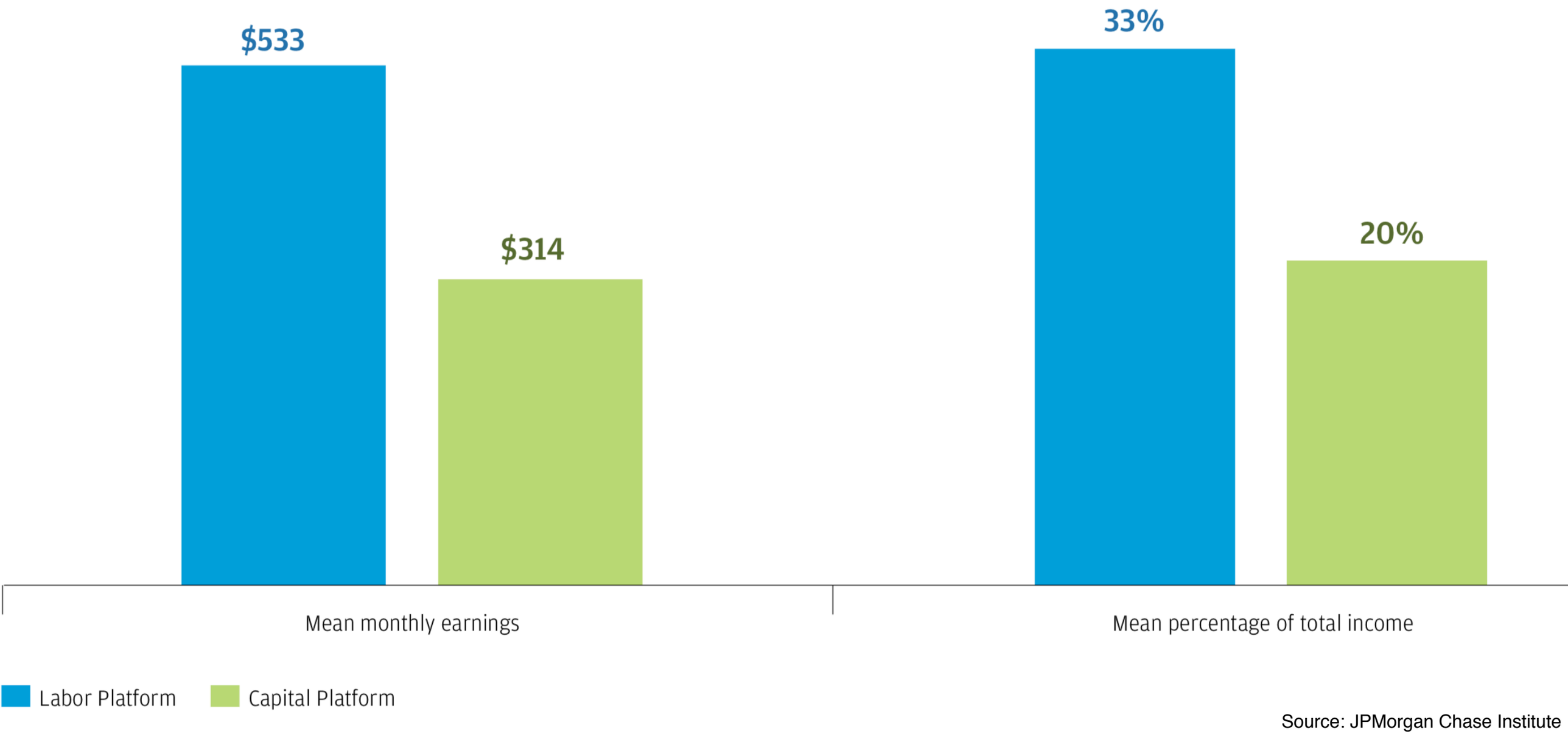
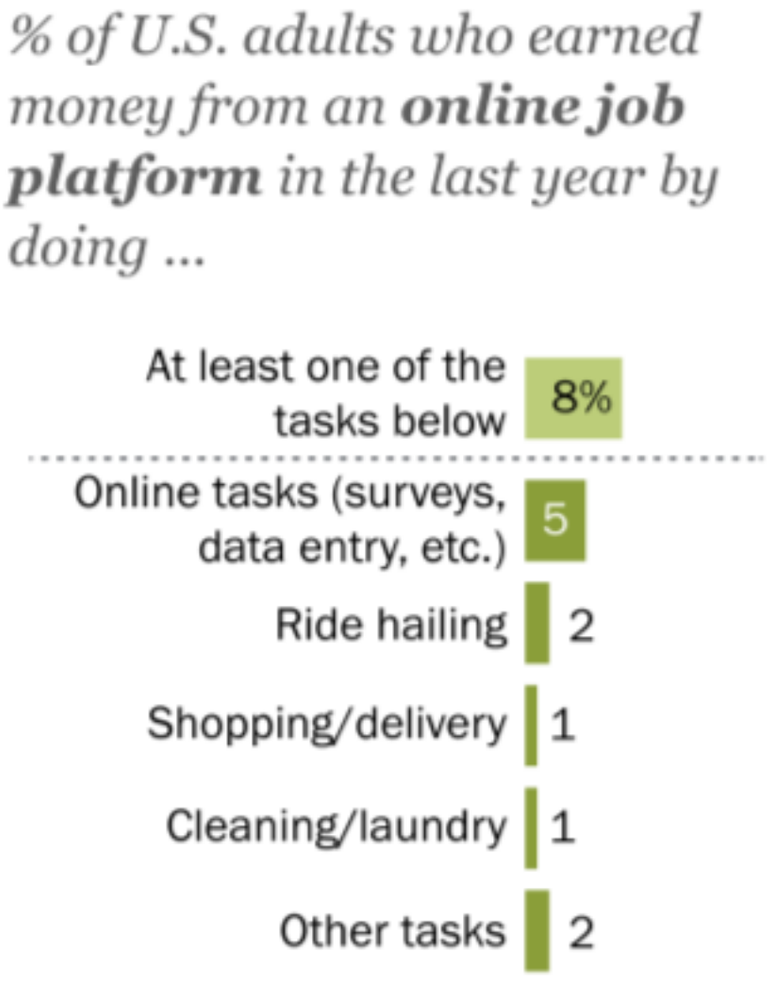
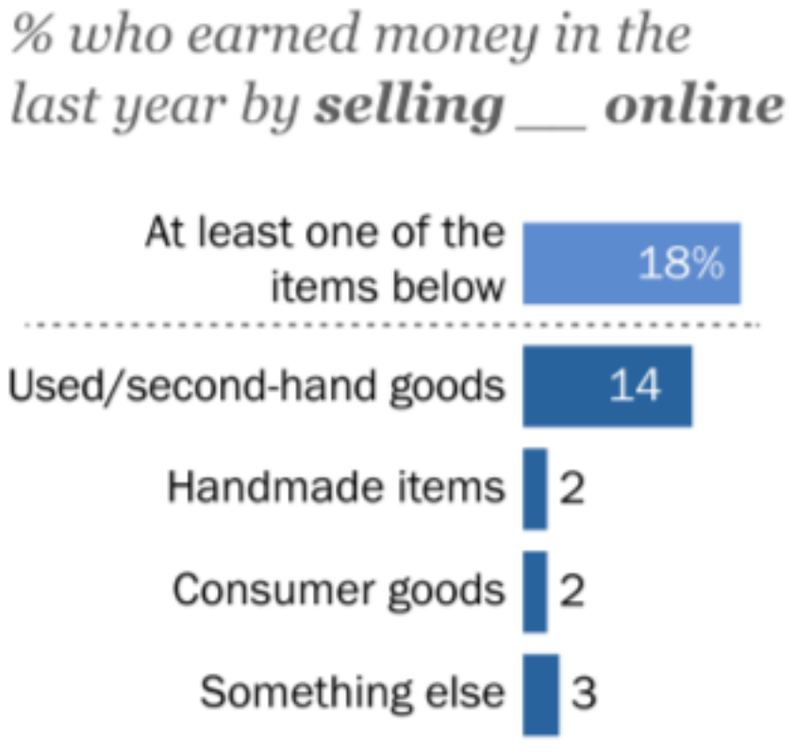


Source: JPMorgan Chase Institute

Pew Research Center

24% of Americans earned money from the digital platform economy in 2016



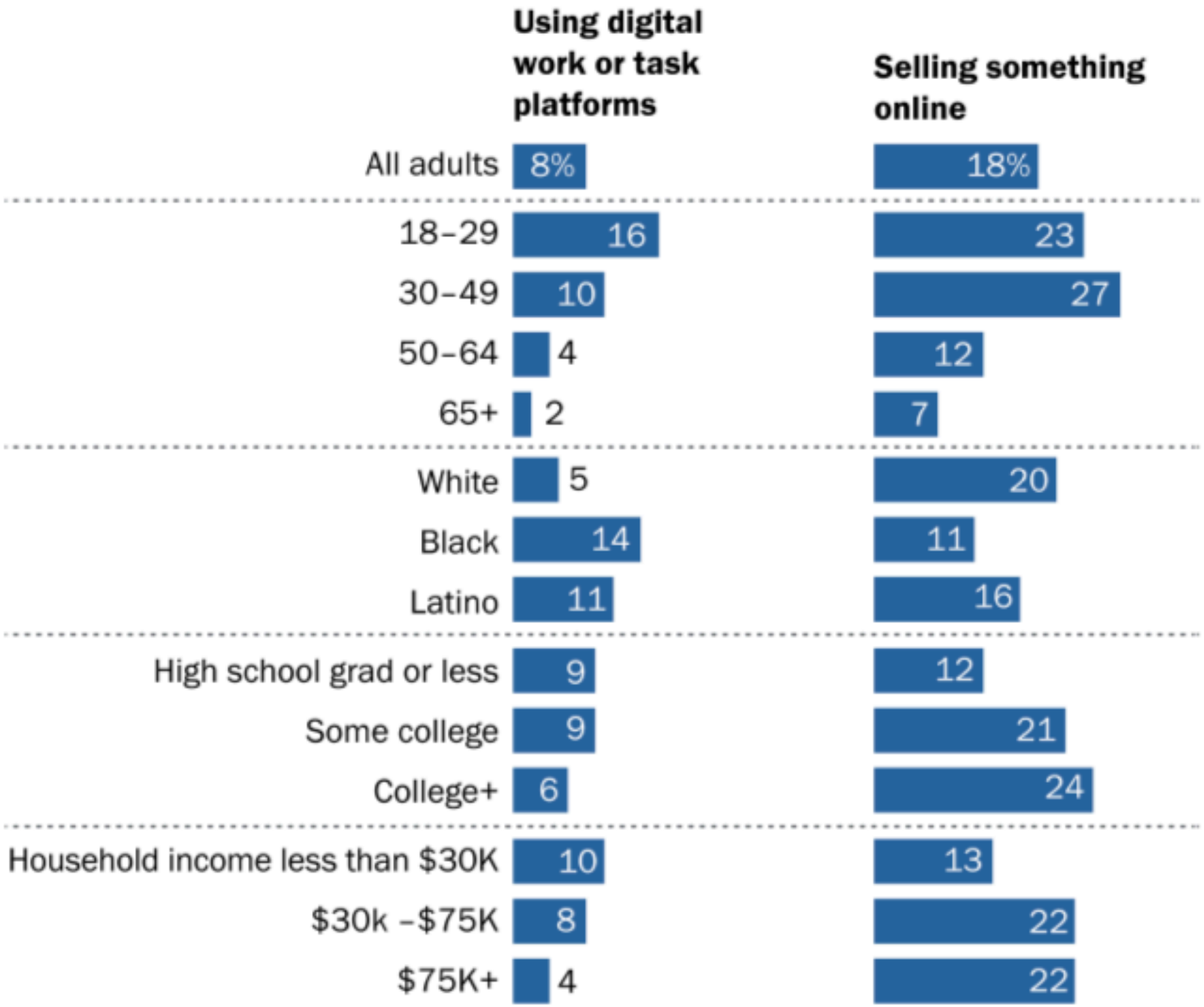


Source: Survey conducted July 12-Aug. 8, 2016.
"Gig Work, Online Selling and Home Sharing"

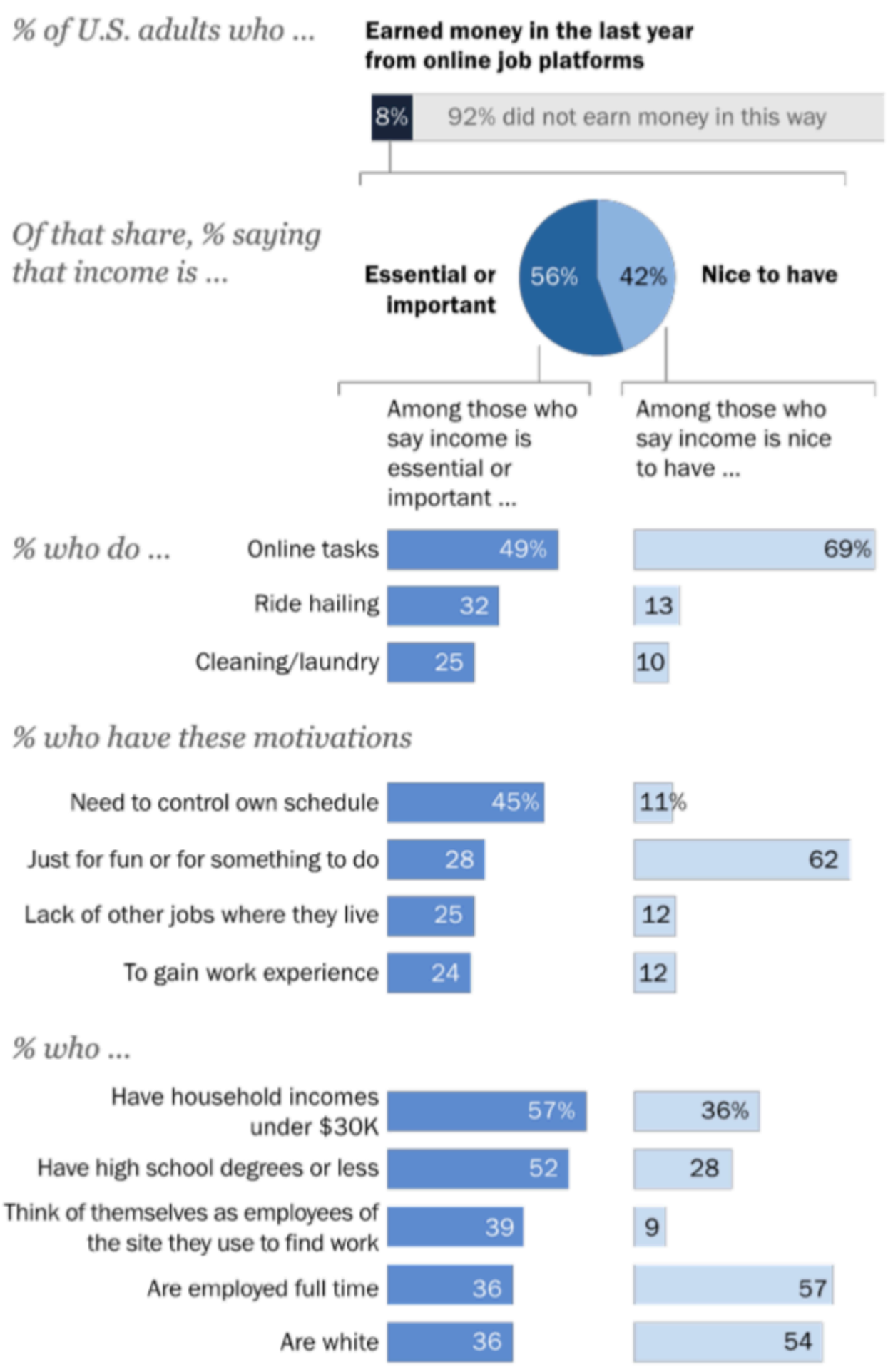
PEW RESEARCH CENTER

Gig work, online selling appeal to different segments of the population

% of U.S. adults in each group who have earned money in the last year by ...



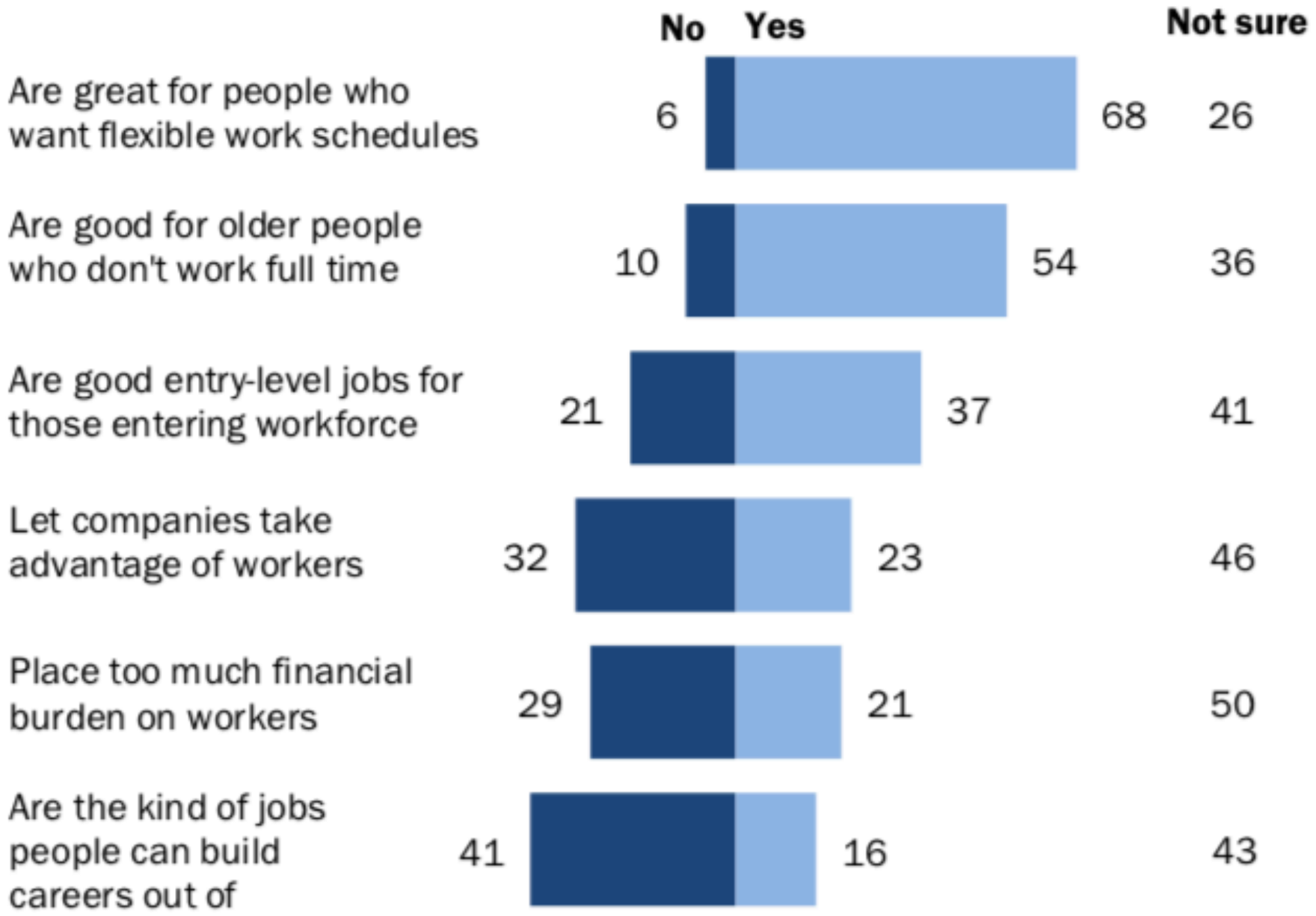
Source: Pew Research Center



Source: Pew Research Center

Americans express mixed views of the benefits of internet-enabled 'gig work'

% of U.S. adults who say that these jobs ...



Source: Pew Research Center

The Online Platform Economy

4.2% of adults in the 3 year JPMorgan study participated in the platform economy. In increased 47x from 2012-2015.

In 2016, Pew Research estimated that 24% of Americans earned money from the platform economy. 8% from a gig platform, and 18% from selling something online.

A key question concerns the nature of platform work and employment. Within a traditional employer-employee relationship, workers can usually expect benefits like access to unemployment insurance, employer contributions to Social Security, and worker's compensation, among others. Typically, no such "social contract" exists in the Online Platform Economy

U.S. Department of Labor
Wage and Hour Division
Washington, D.C. 20210

U.S. Wage and Hour Division

Misclassification of employees as independent contractors is found in an increasing number of workplaces in the United States, in part reflecting larger restructuring of business organizations. **When employers improperly classify employees as independent contractors, the employees may not receive important workplace protections such as the minimum wage, overtime compensation, unemployment insurance, and workers' compensation.** Misclassification also results in lower tax revenues for government and an uneven playing field for employers who properly classify their workers. Although independent contracting relationships can be advantageous for workers and businesses, some employees may be intentionally misclassified as a means to cut costs and avoid compliance with labor laws.

The Department of Labor's Wage and Hour Division (WHD) continues to receive numerous complaints from workers alleging misclassification, and the Department continues to bring successful enforcement actions against

U B E R D R I V E R S

Read here about an important lawsuit brought by Uber drivers to recover the tips they should have received and reimbursement for expenses

Uber drivers have filed a class action lawsuit claiming they have been misclassified as independent contractors and are entitled to be reimbursed for their expenses that Uber should have to pay, like for gas and vehicle maintenance. The lawsuit also challenges Uber's former practice of telling passengers that the gratuity is included and not to tip the drivers, even though (until 2017) you were not getting a tip!!

LATEST NEWS:

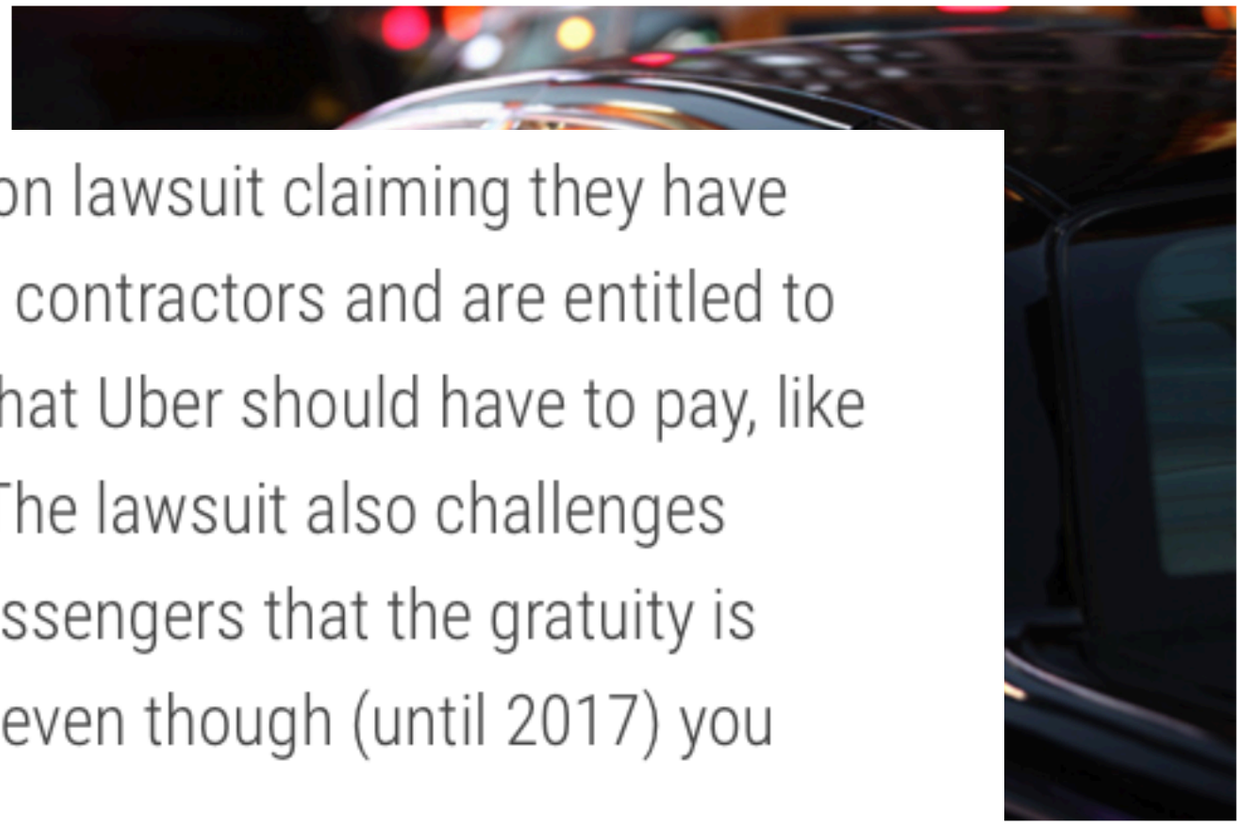
In September 2018, the Ninth Circuit Court of Appeals reversed the District Court's decision which had certified a class of most Uber drivers in California and had declared Uber's arbitration clause to be unenforceable. As a result of the Ninth Circuit's decision, all Uber drivers who are covered by an arbitration clause cannot be part of the lawsuit in court but instead can only pursue their claims through individual arbitration. (We expect our court case will continue to include drivers who are not bound by Uber's arbitration clause.) We are pursuing arbitrations for thousands of Uber drivers. If you are signed up with us to pursue an arbitration if it became necessary, please watch your emails for any updates from us related to your arbitration.

In order to join our contact list of drivers interested in the case who want to receive updates, please email us at uberlawsuit@llrlaw.com and tell us your name, email address, and location where you have driven for Uber.

The attorneys representing the drivers are:

U B E R D R I V E R S

Read here about an important lawsuit brought by Uber drivers to recover the tips they should have received and reimbursement for expenses



Uber drivers have filed a class action lawsuit claiming they have been misclassified as independent contractors and are entitled to be reimbursed for their expenses that Uber should have to pay, like for gas and vehicle maintenance. The lawsuit also challenges Uber's former practice of telling passengers that the gratuity is included and not to tip the drivers, even though (until 2017) you were not getting a tip!!

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court but instead
arbitration. (We expect our court case will continue to include drivers who are not bound by Uber's arbitration clause.) We are pursuing arbitrations for thousands of Uber drivers. If you are signed up with us to pursue an arbitration if it became necessary, please watch your emails for any updates from us related to your arbitration.

case who

want to receive updates, please email us at uberlawsuit@llrlaw.com and tell us your name, email address, and location where you have driven for Uber.

The attorneys representing the drivers are:

IN THE SUPREME COURT OF CALIFORNIA

DYNAMEX OPERATIONS WEST, INC., Petitioner, v. THE SUPERIOR COURT OF LOS ANGELES COUNTY, Respondent; CHARLES LEE et al., Real Parties in Interest.	)	S222732 Ct.App. 2/7 B249546 Los Angeles County Super Ct. No. BC332016

Under both California and federal law, the question whether an individual worker should properly be classified as an employee or, instead, as an independent contractor has considerable significance for workers, businesses, and the public generally.[1] On the one hand, if a worker should properly be classified as an employee, the hiring business bears the responsibility of paying federal Social Security and payroll taxes, unemployment insurance taxes and state employment taxes, providing worker's compensation insurance, and, most relevant for the present case, complying with numerous state and federal statutes and regula governing the wages, hours, and working conditions of employees. The wo then obtains the protection of the applicable labor laws and regulations. On other hand, if a worker should properly be classified as an independent cont the business does not bear any of those costs or responsibilities, the worker none of the numerous labor law benefits, and the public may be required un applicable laws to assume additional financial burdens with respect to such workers and their families.

Although in some circumstances classification as an independent co may be advantageous to workers as well as to businesses, the risk that work who should be treated as employees may be improperly misclassified as independent contractors is significant in light of the potentially substantial economic incentives that a business may have in mischaracterizing some w as independent contractors. Such incentives include the unfair competitive advantage the business may obtain over competitors that properly classify s workers as employees and that thereby assume the fiscal and other responsi and burdens that an employer owes to its employees. In recent years, the re regulatory agencies of both the federal and state governments have declared the misclassification of workers as independent contractors rather than emp is a very serious problem, depriving federal and state governments of billio dollars in tax revenue and millions of workers of the labor law protections t which they are entitled.[2]

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[1] See United States Department of Labor, *Commission on the Future of Worker-Management Relations* (1994) page 64 ["The single most important factor in determining which workers are covered by employment and labor statutes is the way the line is drawn between employees and independent contractors"] <https://digitalcommons.ilr.cornell.edu/key_workplace/2/> (as of Apr. 30, 2018).

[2] See United States Department of Labor, Wage & Hour Division, *Misclassification of Employees as Independent Contractors* <https://www.dol.gov/whd/workers/misclassification/> (as of Apr. 30, 2018 California Department of Industrial Relations, *Worker Misclassification* <http://www.dir.ca.gov/dlse/worker_misclassification.html> (as of Apr. 30,

like independent plumbers or electricians, who have traditionally been viewed as *genuine* independent contractors who are working only in their own independent business.

For the reasons explained hereafter, we conclude that in determining whether, under the suffer or permit to work definition, a worker is properly considered the type of independent contractor to whom the wage order does not apply, it is appropriate to look to a standard, commonly referred to as the "ABC" test, that is utilized in other jurisdictions in a variety of contexts to distinguish employees from independent contractors. Under this test, a worker is properly considered an independent contractor to whom a wage order does not apply only if the hiring entity establishes: (A) that the worker is free from the control and direction of the hirer in connection with the performance of the work, both under the contract for the performance of such work and in fact; (B) that the worker performs work that is outside the usual course of the hiring entity's business; and (C) that the worker is customarily engaged in an independently established trade, occupation, or business of the same nature as the work performed for the hiring entity.