



June 10, 2024

House Committee on Labor and Industry
Pennsylvania House of Representatives
Irvis Office Building, Room 523
Commonwealth Avenue
Harrisburg, PA 17125

Re: Worker Misclassification Informational Hearing

Dear Committee Members:

DoorDash is a technology company that connects consumers with their favorite local businesses in more than 30 countries across the globe. Founded in 2013, DoorDash builds products and services to help businesses innovate, grow, and reach more customers. We enable merchants to thrive in the convenience economy, give consumers access to more of their communities, and provide work that empowers. Last year, we partnered with nearly 18,000 businesses and engaged more than 250,000 couriers – we call them “Dashers” – in Pennsylvania alone, generating over \$1 billion in sales for local merchants and hundreds of millions of dollars in Dasher earnings.

We are proud of the increasingly important role that DoorDash plays in the Pennsylvania economy, and we support innovative policies that would help Dashers get access to new benefits and protections without having to trade in their independence. To that end, we appreciate the opportunity to provide some helpful context about DoorDash and Dashers as the Committee considers the classification status of workers in Pennsylvania, and we urge the Committee to invite us to participate meaningfully in any future discussions about how to improve and strengthen app-based work in the Commonwealth.

Most Dashers don’t dash very much

In 2023, Dashers in Pennsylvania on average spent fewer than 4 hours per week on delivery. And the vast majority of Pennsylvania Dashers – 89% – spent fewer than 10 hours per week on delivery. That’s because 82% of Dashers have income or responsibilities outside of dashing. Many Dashers have full-time or part-time jobs, or are stay-at-home caregivers, retirees, or students. Dashing works for them because they can make it fit with their busy schedules.

91% of Dashers want to remain independent contractors

Given the above, it is not surprising that most Dashers – 91% – say they would prefer to remain independent contractors. Why do people choose this type of work? Again and again, Dashers tell us that they value the flexibility and independence they get from doing this type of work compared to traditional employment. Dashers can work when, where, and how long they want to

earn supplemental income. In 2023, 73% of Dashers said they choose to dash because of the flexibility it provides, and 68% said dashing said they choose to dash because they can work as much or as little as they want. Signing up to dash is quick and easy with low barriers to entry, and Dashers can log onto the DoorDash platform to earn supplemental income when they want it. Dashers can leave the platform for days, weeks, months, or even years at a time and come back when it suits them. That level of independence is unparalleled, and it is a valued feature of app-based work that should be protected.

Traditional employment is incompatible with the flexibility app-based workers value

Employment law was not designed to support app-based work — in fact, every incentive that employers have cuts against providing flexible, on-demand work to a large number of workers who each want to work relatively few hours on their own schedule. For example, employers have no incentive to provide workers with choice over which jobs they accept or to permit significant amounts of inactive time while on a shift. Similarly, the structure of employment benefits requires businesses to keep headcount low and exercise significant control over workers.

Given Dashers' value of flexibility and how they are using the platform, a change in Pennsylvania law that results in app-based workers being employees would be highly unpopular. Platforms would be incentivized to schedule shifts, require acceptance of each work offer, and control every aspect of work on the platform. Changes in operations also would likely mean that many individuals using app-based platforms would no longer have access to this work at all. Indeed, a 2022 study found that potential reclassification of app-based workers in Massachusetts would result in significant job losses.¹

DoorDash has partnered with Gov. Shapiro for a Portable Benefits Savings Pilot Program

In April, we launched a first-of-its-kind Portable Benefits Savings Pilot Program in Pennsylvania in partnership with Gov. Shapiro. During the pilot, which runs through September of this year, Pennsylvania Dashers who complete a minimum number of dashes and earn at least \$1,000 from dashing before tips will be eligible to open a portable benefits savings account, which will be funded with a deposit from DoorDash of an amount equal to 4% of the Dasher's monthly DoorDash earnings. Dashers can use this money as they wish, including to purchase medical (health, vision, and dental) insurance, to save for retirement, or to take time off.

We launched this innovative pilot because we believe that we can make this type of work more secure for those who are dashing the most while protecting the flexibility and independence that Dashers tell us they value. And that's why we support portable benefits legislation across the country – including Senate Bill 967 here in Pennsylvania – that would require technology companies like DoorDash to fund portable benefits accounts for eligible workers and provide additional protections.

¹ See Consequences of Restricting Independent Work and the Gig Economy, Mercatus Center, <https://www.mercatus.org/research/policy-briefs/consequences-restricting-independent-work-and-gig-economy>.

DoorDash is committed to working with Pennsylvania to make app-based work more secure

The unparalleled amount of flexibility that Dashers value is made possible by the unique model that app-based work provides. We urge the committee to protect that model and its attendant flexibility. A change in the classification of app-based workers in Pennsylvania could result in the loss of a supplemental income source for hundreds of thousands of Pennsylvanians should dashing no longer be available. We would appreciate the opportunity to engage substantively on Dasher-related issues now and in the future, because we are committed to working with stakeholders at all levels to make app-based work more secure.

Thank you for your time and consideration.

Sincerely,

Chad Horrell