

## Macro Roundup Article

**Headline:** [Driving the Gig Economy](#)

**Article Link:** <http://www.nber.org/papers/w32766>

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**Tweet:** From 2013-2019, drivers in the taxi/rideshare industry grew six-fold to 1.3mm. The mean entrant in 2016 had net earnings of just \$2,110, as the share of drivers supplementing other wage and salary earnings rose from <20% in 2011 to over 70% in 2015.

**Summary:** Using administrative tax data, we explore the effects of the introduction of online ridesharing platforms on entry, employment, and earnings in the Taxi and Limousine Services industry [NAICS 4853]. New entrants were more likely to be young, female, White, and U.S. born, and to combine earnings from ridesharing with wage and salary earnings. The first two panels of Figure 4 display the gross receipts and net earnings of the 2011 NAICS 4853 nonemployer incumbents and of entrants to the industry. Incumbents had net earnings that averaged just \$12,290 (in 2015 dollars) in 2011. Beginning in 2013, the net earnings of NAICS 4853 entrants began to fall off sharply. By 2016, the average NAICS 4853 entrant had net earnings of just \$2,110. The decline in average nonemployer earnings and increased propensity to combine nonemployer self-employment with a wage and salary job among NAICS 4853 entrants are consistent with earlier findings that many app-based drivers use driving to supplement or smooth their earnings rather than as a primary source of income

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**Primary Topic:** Workforce Reorganization

**Topics:** Academic paper, Workforce, Workforce Reorganization

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