'Wow': Uber chief startled by US reporter's expensive three-mile ride

The chief executive of Uber expressed surprise when an interviewer told him he paid $51.69 for a three-mile ride to the company's annual product event in New York. Dara Khosrowshahi, who took over at Uber six years ago and has presided over soaring price increases, was speaking to Wired when he was informed of the cost of the ride. "Oh my God. Wow," Khosrowshahi said. He had been asked to estimate the cost of the ride, and put it at "20 bucks". The Wired reporter informed Khosrowshahi that a few minutes earlier the ride would have cost $70. Khosrowshahi attributed that to surge pricing, before attributing the $51.69 fare to inflation. "Everything is more expensive," Khosrowshahi said. "Inflation has become a part of our everyday life. With Uber, the vast majority of your fare is going to your driver. Earnings per week for our drivers are up 40, 50% over the past four years, because that is the cost of time and the cost of labor. I think that's positive." Wired noted that according to some reports Uber prices have risen four times faster than the rate of inflation, as the company has sought to become profitable. Uber has previously had policies which include subsidizing cheaper prices by using billions of dollars of investors' money. Earlier this year research by the UCLA Labor Center found that in New York City, while earnings for drivers may have increased, Uber seemed to benefit the most. "Uber and Lyft took a larger share of passenger fares – and gave a smaller percentage to the drivers – in 2022 compared to 2019 when the city's minimum pay standard went into effect," UCLA said. Uber announced its first quarterly operating profit on Tuesday. Shares in the company fell, however, after Khosrowshahi warned that Lyft was competing with Uber on pricing.