

# UBER: DRIVING UPSTATE JOBS

## New York State Economic Impact Report

### INTRODUCTION

From Buffalo to Albany, the Empire State is a state on the move. With economic revitalization in every corner of the State, New York is attracting companies like Uber who can help contribute to this spirit of innovation and staying competitive in the global economy.

For far too long, New Yorkers – especially in communities Upstate – have seen jobs leave the state rather than be created right here. Uber is changing that, and can help revitalize New York by creating thousands of Upstate jobs with the touch of a button.

Uber is a software company that provides mobile phone apps to drivers and their customers. Drivers who partner with Uber (Uber’s “driver-partners”) pay fees to Uber in exchange for Uber connecting them to the nearest available ride seeker. The advantages of Uber’s platform to riders and driver-partners are numerous, including but not limited to low wait times, high vehicle and driver utilization, ease of use, and safe and high-quality service through a transparent rating system that holds both riders and driver-partners accountable.

Uber has the potential to help thousands of New Yorkers access the economic opportunity they need to get ahead. By providing New Yorkers with a safe and affordable transportation option, Uber can help revitalize New York by bringing riders to neighborhoods and businesses when reliable public transportation or taxis are hard to find, or simply do not exist at all.

### METHODOLOGY

Using similar Uber cities as a comparison, we summarize the potential economic impact that Uber could have in the State of New York. In order to project the potential economic benefits of ridesharing throughout the Empire State (aside from New York City), we divided the State’s potential markets into three broad categories: academic hubs with seasonal demand fluctuations; mid-size and large cities, and downstate communities outside of New York City. We then took per-capita growth data from Uber cities that also fit into these categories and used it to produce a projection of expected growth over the first year of ridesharing operations.

We are able to draw on the experiences and hard data from similar markets to gain insights into what can be expected in key cities Upstate. Because newer Uber cities often grow more quickly than older cities, these projections are likely to understate the size and growth of the ridesharing industry in New York State.

Among the many critical benefits that Uber brings to cities through reliable, safe, and convenient mobility options at the push of a button, few are more crucial to cities than the boost our platform brings to the local economy, job market, and overall economic opportunities available to families.

This data analysis does not capture all economic benefits including cost savings to riders, spillover benefits to New York’s businesses that benefit from the increased driving and consumer spending of Uber’s driver-partners, and the safety benefits that result when for-hire rides are more reliable and more affordable. As such, we have included examples of such spillover benefits from other Uber markets

## EXECUTIVE SUMMARY

If New York's leaders allow ridesharing across the State, a significant economic impact will be felt in every corner of the State. Real and immediate job growth, and improved transportation options for all New Yorkers – both Upstate and in suburban communities outside of New York City – are being impaired by the lack of a cohesive statewide regulatory framework for ridesharing.

### Uber has the potential to:



#### ..... Bring Jobs to Upstate New York

We project that more than **13,000 jobs** in upstate New York will be created in **Uber's first year alone**. Uber will offer New Yorkers the opportunity to use the Uber platform to earn a living, with flexible working conditions that match the changing nature of 21st Century work.

Job seekers are currently leaving the State to partner with ridesharing platforms in neighboring states. Because there is no regulatory framework in the state, New Yorkers are crossing state lines to earn a living on the Uber platform – more than **4,000** New York State residents have already partnered with Uber to drive in Connecticut and New Jersey alone – representing a lost opportunity for the Empire State.



#### ..... Give New Yorkers Great Earning Potential

We project that these Upstate New York driver-partners have the potential to earn a combined **\$80 million in net fares** in Uber's first year.



#### ..... Provide New Yorkers with a Safe, Reliable, and Affordable Transportation Option

More than **350,000 New Yorkers** outside of New York City have downloaded the Uber app, hoping for a ride. We project that Upstate Riders will complete nearly **500,000 trips** each month in Uber's first year.

Uber also helps connect riders to existing public transportation networks, helping to maximize the benefits of existing public transit system. We anticipate that riders will complete thousands of trips each month to and from commuter rail stations and bus depots. For example, in Connecticut, **29% of Uber trips** are to or from Metro-North train stations.



#### ..... Increase Access to Small Businesses

With small business owners already clamoring for ridesharing in New York State, Uber will increase economic earning opportunities for these local entrepreneurs. For example, right now, roughly **30% of Uber trips** in Hoboken, New Jersey start or end at a small business. We anticipate similar numbers in New York State once ridesharing is implemented.



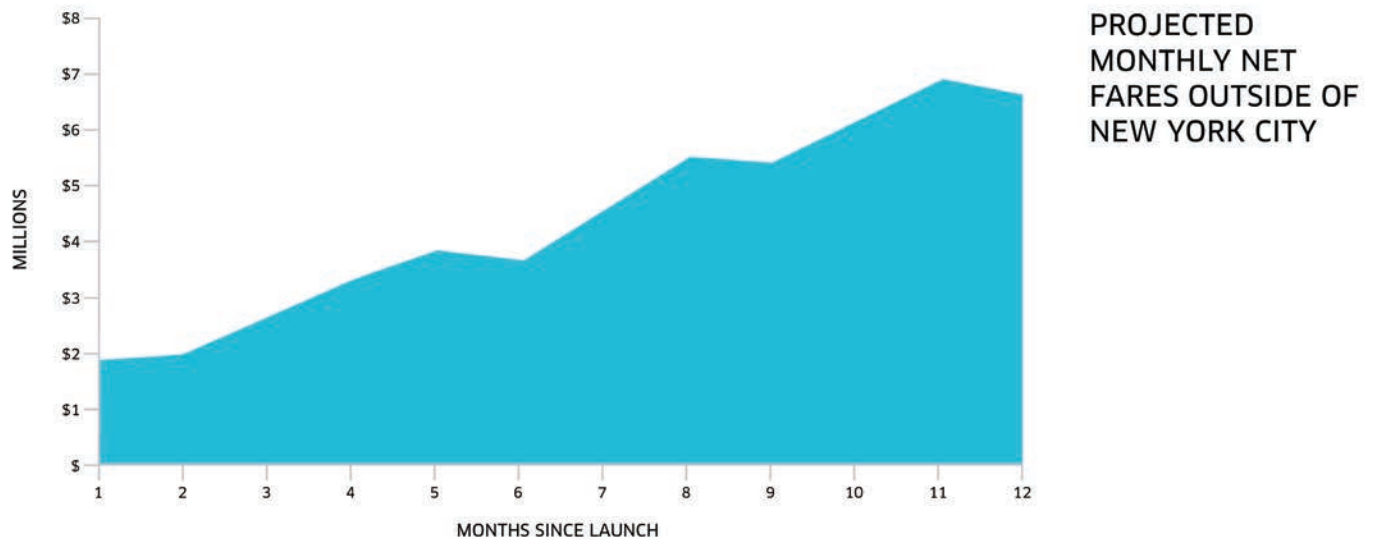
#### ..... Make New York a Better, Safer Place to Live, Work, and Visit

Uber has been proven to help reduce drunk driving across America. For example, DUI arrests in Seattle **decreased by more than 10%** after Uber started serving riders and drivers in the city.

## THE POTENTIAL OF UBER IN NEW YORK STATE

### Statewide Economic Impact

Uber will have tremendous positive economic impact across New York State. If Uber is allowed to operate under a peer-to-peer (“P2P”) or ridesharing model, we predict more than **13,000 New Yorkers** outside of New York City will be driving with Uber in just the first year of operations. These driver-partners will have the potential to earn a combined \$80 million in net fares in the first year, with ample room for growth in future years.



While it is impossible to predict exactly what the economic impact of statewide ridesharing will be in a few years' time, it will certainly be measured in the hundreds of millions of dollars. Benefits will range from new revenue sources for drivers to increased indirect economic activity.

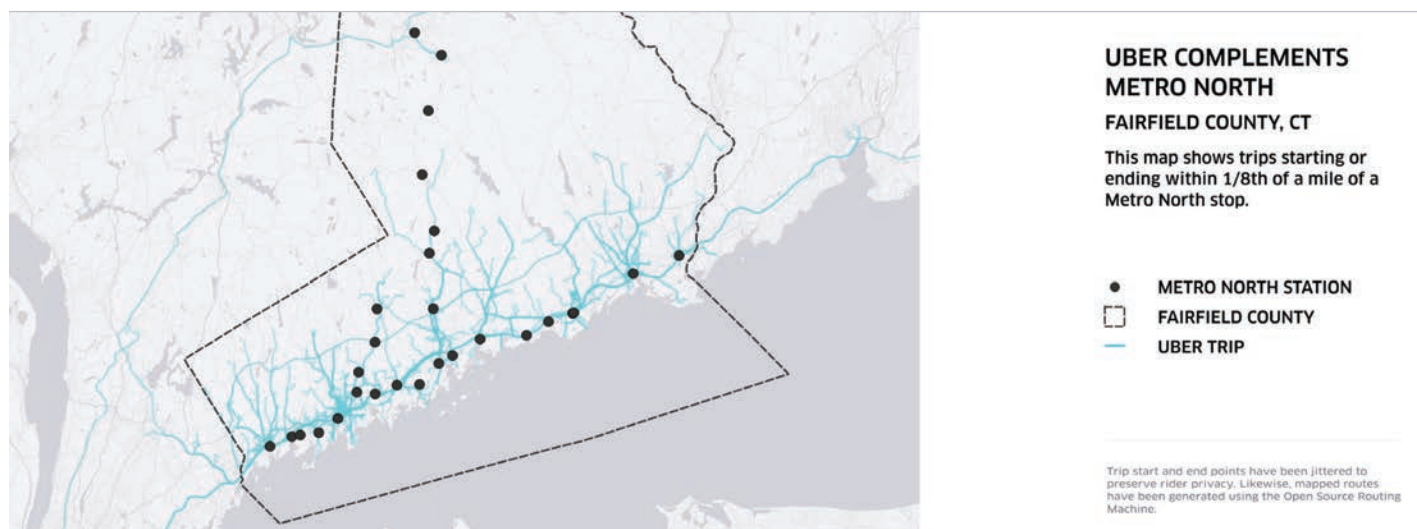
### Providing a Safe, Reliable, and Affordable Transportation Option

More than **350,000 New Yorkers** outside of New York City have downloaded the Uber app, hoping for a ride. There is great demand for more transportation options throughout the State, so that New Yorkers can safely travel to their destinations. Additionally, Upstate metropolitan areas all have very high proportions of low-income families that do not own cars. Uber will help get New Yorkers to their destinations safely and affordably in a way that has proven to work in over **325 other cities** across the world.

We project that Upstate New Yorkers will complete nearly **6 million trips** in its first year.

Riders will also complete thousands of trips each month to and from commuter rail stations, complementing and deepening the use of the existing regional transportation infrastructure. Public transit ridership is at record high levels, but people still have challenges getting from the bus stop or the train station to their home. Uber is a boon to people who use public transit, as it helps to bridge the last mile between transit hubs (e.g. train stations) and home, and it provides a reliable fallback option should a personal emergency require immediate travel. These benefits would be enjoyed by New York State's transit users and commuters, especially in places such as Long Island and Westchester, where Uber can serve as a complement to the Long Island Railroad and Metro-North Railroad stations.

For example, Uber's data shows that in the month of June 2015, more than **30,000 trips** were taken to or from<sup>1</sup> Metro-North Stations in Connecticut. Such trips represent a major use case for Uber in the state, making up 29% of all trips taken.



## Keeping Jobs in the Empire State

Due to the restrictions posed by current New York law, more than **4,000 New York State residents** have had no choice but to cross state lines to partner with Uber and drive in Connecticut and New Jersey under Uber's ridesharing model. If ridesharing were allowed in New York State, these driver-partners would be serving their own communities.



"I have been driving with Uber full-time for a year and I love it. I live in Sleepy Hollow, New York, and I have to travel to and from New Jersey every day in order to start my day. I would love to be able to partner with Uber in Sleepy Hollow, so I could serve my community and also spend even more time with my family by being close to home."

- **ERUBEN C. SLEEPY HOLLOW, NY**



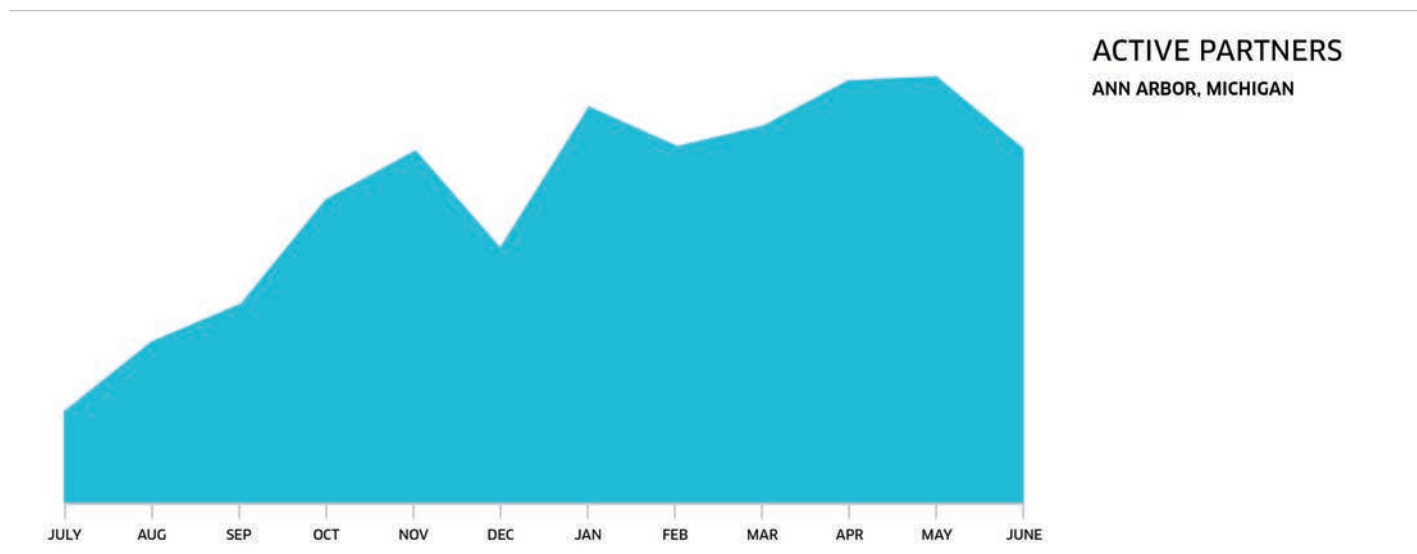
"I travel almost an hour every day to drive with Uber in New Jersey and have completed more than 4,000 trips so far. I would love to be able to drive in my home community in Pomona, New York."

- **EAN S. POMONA, NEW YORK**

We know that there is already a huge demand for Uber Upstate, and a flexible supply of driver-partners helps ensure that service is reliable and affordable at all times and in all places. This is important throughout the State, including areas of seasonal transportation demand such as Albany, Rochester, and Syracuse. The inherent flexibility of the platform is well suited to meeting the fluctuating levels of demand in these communities. Because Uber driver-partners use their own cars, no additional capital investment is required in order to start driving on the platform. As a result, the transportation industry in a town can readily grow and contract along with seasonal variations in population. While somewhat hidden by a general growth trend, it is clear that the total number

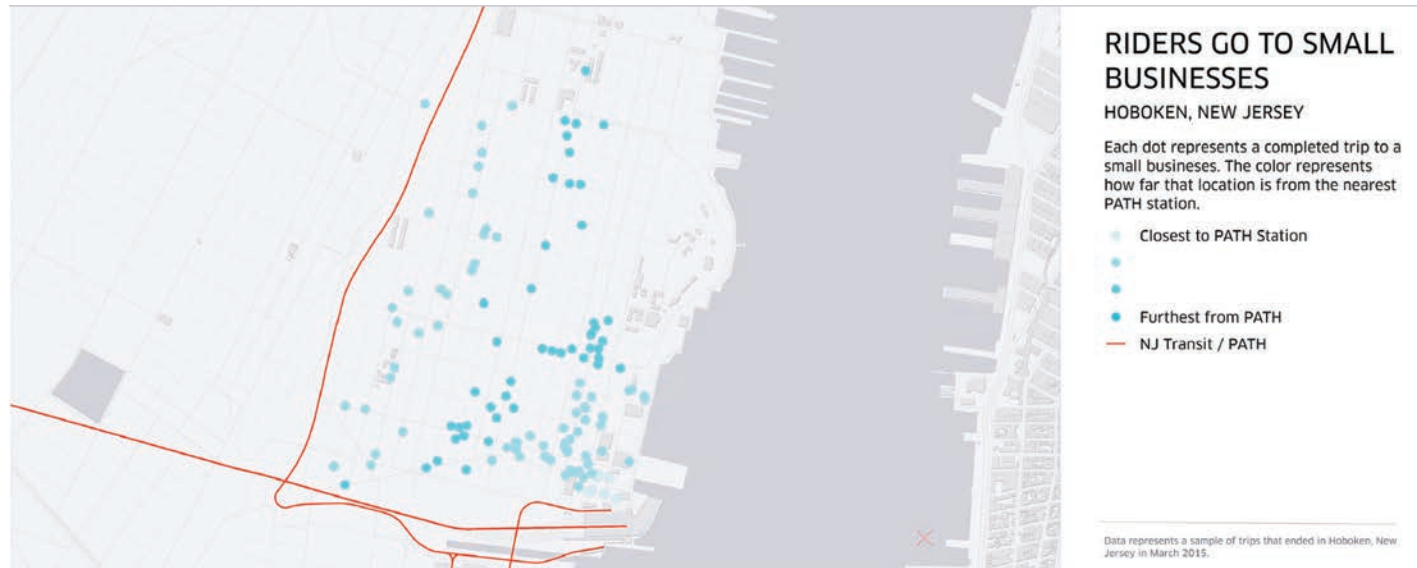
<sup>1</sup> originating or dropping off within 1/8th of a mile.

of active driver-partners in Ann Arbor, Michigan (a community with similar seasonal attributes to Albany, Rochester, and Syracuse) dipped noticeably during the holiday month of December and then again in June, the month after school let out.



## Improving Access to Small Businesses

The economic benefits of expanded transportation options will also benefit small businesses. Roughly **30% of Uber trips** in Hoboken, New Jersey start or end at a small business, often a small business that is otherwise hard to reach. With small business owners already clamoring for ridesharing in New York State, Uber will only increase earning opportunities for these local entrepreneurs.



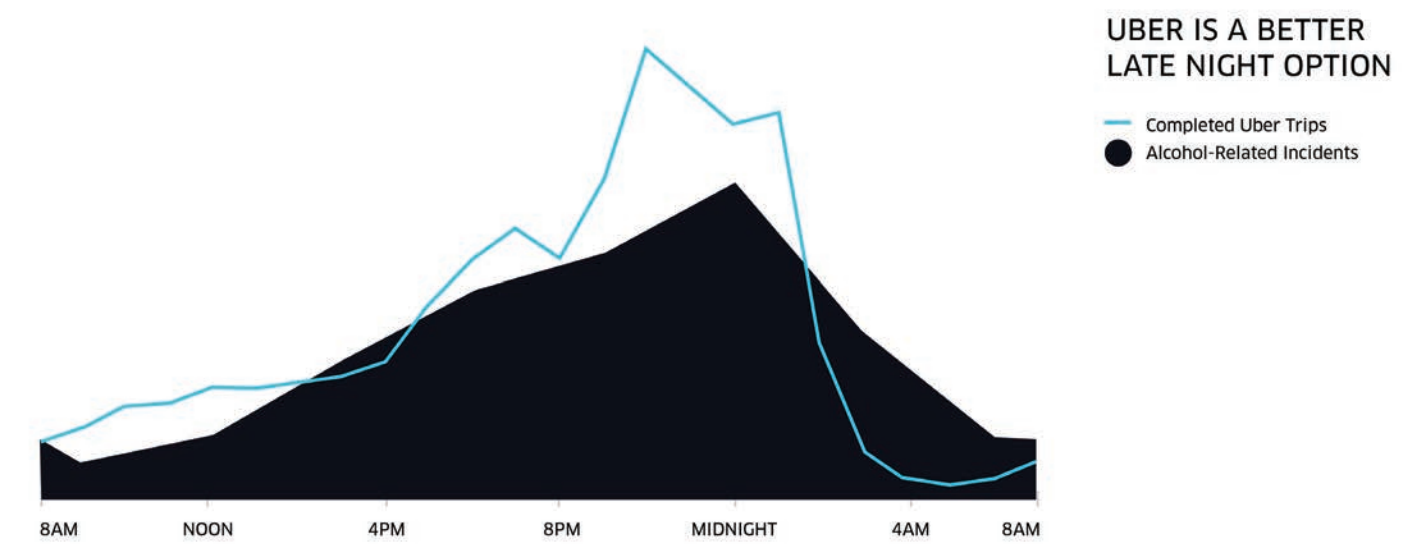
## Making New York a Better, Safer Place to Live

The increased availability of a reliable, affordable late night transportation option will provide a dependable alternative to driving under the influence. In 2013, there were nearly 350 drunk driving fatalities in New York State, more than 30% of all traffic deaths.<sup>2</sup> Uber has proven to reduce this risk in markets where it exists.

<sup>2</sup> <http://www.madd.org/blog/2014/december/2013-drunk-driving-fatalities.html?referrer=https://www.google.com/>

Uber's entrance in a market leads to a statistically-significant decline in alcohol-related vehicle fatalities after less than a year of operation.<sup>3</sup> A recent independent study conducted by Temple University found that cities where Uber operates have **3.6%-5.6% fewer drunk driving deaths** than cities without access to ridesharing.<sup>4</sup> As another example, DUI arrests in Seattle **decreased by more than 10%** after Uber started serving riders and drivers in the city.<sup>5</sup> This means Uber has the potential to **save hundreds of lives** in the Empire State.

Moreover, looking at aggregated Uber requests by time of day, we see that demand peaks at the same time DUI incidents are at their highest – right around “last call” during late nights. More people are choosing to request a safe, reliable ride with Uber at times when they may have otherwise gotten behind the wheel. College students at the State University of New York’s 64 campuses, and at larger universities such as Syracuse University and the University of Rochester, will benefit from the safe transportation alternative that Uber provides.



Uber has a nationwide partnership with Mothers Against Drunk Driving (“MADD”) to encourage smart decision-making and spread the word about available safe ride options. In addition, a report by Uber and MADD released in January concludes that when empowered with more transportation options like Uber, people are making responsible choices that result in fewer alcohol-related crashes.<sup>6</sup> This is especially true because “it is often difficult to hire a taxi, based on time, location, or even the race of the patron...[and] it is plausible that the presence of the [Uber] platform mitigates these market inefficiencies by soliciting the driver electronically, thereby significantly reducing search costs...and creating excess utility for the consumer.”<sup>7</sup>

## Conclusion

If ridesharing is welcomed throughout the Empire State, Uber will bring thousands of jobs to Upstate New York, give New Yorkers significant earning potential, and provide New Yorkers with a safe, reliable, and affordable transportation option. As a result, New York will be a better, safer place to live, work, and visit.

<sup>3</sup> [http://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=2557612](http://papers.ssrn.com/sol3/papers.cfm?abstract_id=2557612)

<sup>4</sup> <http://www.valuewalk.com/2015/08/ride-sharing-dui/>

<sup>5</sup> <http://www.usatoday.com/story/opinion/2014/07/03/uber-madd-drunk-driving-column/11910179/>

<sup>6</sup> <https://newsroom.uber.com/wp-content/uploads/2015/01/UberMADD-Report.pdf>

<sup>7</sup> <http://www.valuewalk.com/2015/08/ride-sharing-dui/>