



Written by [Bob Adelman](#) on June 3, 2014

## Ride-sharing Revolution Adds Thousands of New Jobs Each Month

The ride-sharing revolution continues to accelerate, adding 20,000 new jobs every month, [according to the head of Uber](#), the initiator of the revolution. Said Uber's CEO Travis Kalanick:

Just four years ago we set out to build a better option for people to move around cities: to make getting a ride safer, easier and affordable.

But Uber's positive impact goes further. Hundreds of thousands of entrepreneurs are using the platform to build their own small business, resulting in a huge job growth engine.



When economist Mark Perry's plane arrived at Reagan National Airport late Tuesday night, May 27, it sat on the runway for another hour and a half waiting for a gate to open. When he finally deplaned at 12:30 a.m., he just wanted to get home and go to bed. But so did everyone else:

I went to get a taxi and the line was so long, and wrapped around so many times, that I couldn't even figure out where the end of the line was — there must have been something like 500-600 people in line waiting for a taxi.

I tried the Metro, but it closes at midnight on weekdays. Facing at least an hour wait until about 2 a.m. for a taxi, I ordered a Uber black car, and it arrived to pick me up in about 2 minutes.

What a great feeling of relief and satisfaction to leave the 500+ line of people waiting for a taxi, and get into an Uber black car. The Uber fare with taxes, airport fees and tip was only \$32, just slightly higher than what I usually pay for a taxi — about \$25-26 with tip.

Thanks to Uber, I was sound asleep in my own bed by 1:30 a.m. instead of still being in line at Reagan waiting for a taxi....

I love Uber!

So, apparently, do the drivers. Reagan Rucker, a single mother living outside Washington, D.C., had been out of work for nearly three years when a friend took her to run some errands, using her smartphone to arrange the ride. Rucker said, "Let me try this." After applying as a driver at Uber.com, completing the background and driving record checks, and making a deposit on Uber's in-car phone system, she started taking calls and making appointments. In three weeks she'd logged 51.5 hours and cleared \$1,280 (after Uber's cut of 20 percent), plus tips. Although she said that "that was a lot of driving," it was worth it: In three weeks she went from zero to \$25 an hour.

She also feels safe. The customers she serves are pre-registered with Uber along with a "customer rating" provided by other Uber drivers. The company handles the money, so she carries no cash with



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her. The customers pay with their credit card, and she gets paid directly by Uber into her account. Said Rucker: "I feel very safe. They have a record of everyone who gets in my car and everything that goes on."

Denver Lyft driver (one of Uber's competitors) Brittany Cameron uses her Jeep mostly on weekends, taking other millennials who don't own cars to night spots. She gets paid well and enjoys providing the service:

I'm just a little part of everyone's night. It's been fun, [joining in] on topics of conversation and [enjoying] the energy of people as they're going out on a Friday or Saturday.

On a good night she can take two or three fares in an hour, generating more than just walking around money.

Uber, which began operating in San Francisco in June 2010, now has drivers in more than 100 cities worldwide with that number growing every six days. Lyft, which just started 18 months ago, is also exploding, especially among millennials, only a third of whom own a car, but nearly all of whom have a smartphone.

As it is growing, Uber is also expanding its services. In July 2013, it launched Uber Ice Cream in seven cities, allowing its customers to order ice cream via smartphone. That same year it experimented with UberCHOPPER, offering helicopter rides for the well-to-do from New York City to The Hamptons for \$3,000. It provides safe travel for NFL football players, along with UberXL which offers a larger vehicle for larger parties needing a lift and UberFamily providing a vehicle with a car seat.

Uber has noted additional advantages not immediately obvious. On average its drivers charge less than a traditional taxi — about 25-percent less. A trip by taxi from Beverly Hills to Santa Monica costs about \$26.80 while Uber charges only \$15.83. In San Francisco, a trip from Marina to the financial district costs \$14.70 by taxi but just \$10.35 by Uber. From Beacon Hill in Boston to Harvard Square, a taxi costs \$19.37 but Uber charges only \$12.55.

Uber also notes a significant decrease in "cab crimes," especially in Chicago, which has averaged one cab crime every day since 2001. But because the drivers are rated by customers, and vice versa, both parties have a higher degree of comfort that they're safe with Uber. Their identities are known, the customer must have a valid credit card to use the service, and the driver knows how others have rated the customer in previous appointments. And since it's a cashless transaction, there's little incentive for robbery. According to Uber, cab crime in Chicago dropped 20 percent when they entered the market. Said Uber, "the crime-preventing benefit of [our] technology cannot be discounted."

DUI rates also decline when a ride-sharing service opens up in a new city. In Seattle, according to another study by Uber, DUI arrests dropped by more than 10 percent after they opened up there. The same happened in San Francisco. Said Uber, "Potential drunk drivers will choose other options, like rides with Uber, when they are convenient, affordable and readily available."

All of which is making taxi cab companies and their friends in the legislature increasingly nervous. In Denver, for example, there is legislation pending in which a new classification of "transportation network company" is being considered for Uber and Lyft, whereby regulators would be free to apply the same restrictions and limitations on them as they do on existing cab companies: limiting taxi drivers to specifically defined territories, requiring them to pick up anyone who requests a ride, and fixing their rates.



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Even if such legislation gets stymied, however, Doug Dean, director of Colorado Public Utilities Commission, has threatened to shut them down unilaterally unless they comply with his rules:

If the legislation fails, we will go out there and start issuing civil penalties and fines and put these services out of business.

It's not our first choice; it's just what we'll have to do.

Such threats aside, ride-sharing is having positive effects on the existing taxi companies who recognize the threat to their existence. As Netscape founder Marc Andreessen said as he was looking at investing in one of the ride-sharing startups, "Uber is software [that] eats taxis." Brad Whittle, senior VP for Colorado's Yellow Cab taxis, said, "We might have no choice but to operate like they do."

Already San Francisco's taxi and limo companies have lost a third of their drivers moving to Uber, Lyft, and other ride-sharing companies. When those drivers provide lift services using their own cars, they are free of the often onerous charges levied for vehicles provided by the taxi companies. Ali Vazir, a Denver Uber driver, used to work for Yellow Cab and before that, for Metro. His weekly lease payments ranged from \$400 to \$600. Although he now drives his own car and has to pay for Uber's software plus their 20 percent take, he now brings home more money, has more flexible hours, and he drives a nicer car as well: "I feel emancipated. I'm so much happier, and my passengers are happier, too."

This is the how the free market works, when it is allowed to: better service, cheaper prices, happier customers, more profitable companies. The ride-sharing revolution is just getting started.

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