

PORTABLE BENEFITS

**A Framework to Strengthen Independent
App-Based Delivery Work**



Portable Benefits: A Framework to Strengthen Independent App-Based Delivery Work

For over a decade, DoorDash has enabled deliveries from a wide range of local businesses to customers in their communities. These deliveries are powered by independent contractors – known as Dashers – from all walks of life who complete orders on their own schedules. In our [Future of Work](#) white paper, we laid out a framework for the future of work that emphasizes access, choice, and security.

Today, we are focusing especially on strengthening the third pillar: security. An outdated legal framework currently requires that platforms like DoorDash engage workers as either independent contractors or as traditional employees. As independent contractors, Dashers get to be their own boss and have the valued flexibility to work when, where, and how they choose. However, this means they may be missing out on benefits and protections that are only available through employment. Portable benefit policies – an innovative framework that both protects independence and provides access to benefits that are tailored, portable, flexible, and proportional – provide a solution. Below, we lay out how and why we believe this is the best way forward for app-based delivery workers.



Dashers and the Importance of Independence and Flexibility

FACT 1

Dashers consistently identify flexibility and independence as the top reasons for choosing this work.

App-based work is a unique model that provides unparalleled amounts of flexibility that Dashers value. Dashers can access the platform, view available offers to complete delivery requests, and accept or reject those offers as they see fit. There is no minimum acceptance requirement to maintain access to the platform. There is also no requirement to be on the platform for a certain amount of time or any requisite work schedule.

For example, a Dasher may decide to access the platform for one hour before going to a college class and, during that time, accept and complete one delivery offer and reject the remaining delivery offers that they receive. A Dasher may also access the platform for several consecutive days in order to earn extra cash to pay for her child's school supplies or holiday presents, and then take a break from working on the platform for months at a time before returning. The model also allows Dashers and other app-based workers to "multi-app," where they receive work offers from multiple platforms at the same time and may accept and complete an offer for one platform before accepting and completing an offer with another platform.



96%

Dashers agree that dashing provides flexibility for their schedule



95%

Dashers agree that dashing allows them to work as many or as few hours as they want



94%

Dashers agree that dashing allows them to be their own boss

Dashers tell us they value the accessibility, flexibility, and lack of a boss to answer to. Ninety-four percent (94%) of surveyed Dashers say that flexibility is what made them choose to dash over other options for earning income. Dashing and work like it fulfills a unique need in the labor market. Our 2023 survey finds that the vast majority of Dashers — 84% — have sources of income or responsibilities outside of app-based work. Dashing allows millions of these students, teachers, parents, retirees, small business owners, and others to sign up, log on, and start quickly earning income, with the freedom and flexibility to design their own schedule and reach their own goals.

The Flexibility Valued by Dashers is Incompatible with Employment

Dashers are independent contractors and use DoorDash to earn when, where, and however long they want. Not only are Dashers seeking out work opportunities that are unique from employment, but the flexibility and control provided by app-based work is incompatible with the existing employment framework.

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, because of the significant upfront costs of bringing on each employee, a business has no incentive to provide employees with choice over which jobs they accept or to permit significant amounts of inactive time while on a shift or to simply not clock into work for weeks or months at a time. Similarly, the structure of employment benefits requires businesses to keep headcount low and exercise significant control over workers.

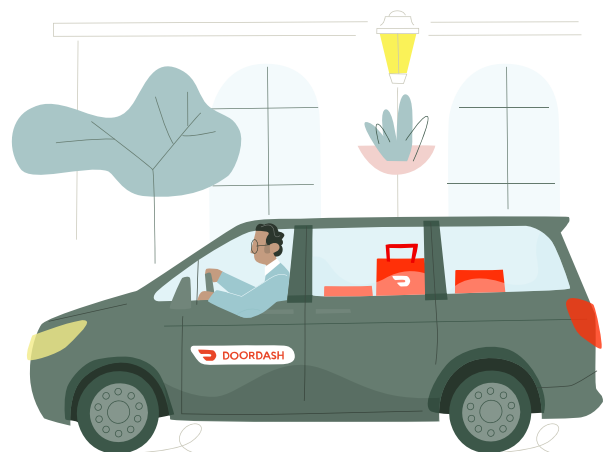


Imagine a coffee shop where an employed barista gets to enter and start work at any time, refuses multiple offers to make coffee, leaves without notice to work for a competitor coffee shop across the street to pour a couple of coffees, and then does not return for days or even weeks at a time. Such a place does not exist, because no employer provides the flexibility that app-based work provides. For Dashers, the flexibility provided by dashing means true flexibility: the ability to work when, where, and however long you want. This is not the same as an employer who allows its employees to request a specific schedule or even work from a remote location.

That's why 87% of Dashers say that they prefer to remain independent contractors in a 2023 survey.

While Independent Work Must be Protected, It Can Also Be Improved

We believe the binary worker classification model of either employee or independent contractor under current law is outdated and doesn't reflect the needs of each unique worker. As discussed above, employment does not permit the flexible work that Dashers highly value. At the same time, independent contractors often do not have certain benefits and protections that are historically tied to employment. We need innovative policy solutions that preserve the flexibility Dashers enjoy while also providing access to new benefits and protections tailored to this unique form of work — proposals that are overwhelmingly popular with Dashers as well as with the public.



Considerations for Developing a Benefit Framework for the Future

FACT 2

Most Dashers don't dash very much

For most Dashers, dashing is a supplemental source of income. In our 2023 survey, most Dashers report that they have other income or responsibilities in addition to dashing: 43% have full-time jobs, 11% have part-time jobs, 10% are stay-at-home parents or caregivers, 8% are students, 7% are self-employed or business owners, and 4% are retired.

As a result, the average Dasher spends less than four hours per week delivering, and roughly 90% of Dashers spend less than ten hours per week delivering. And they come and go from the app **as they please**: almost 1 in 5 Dashers (19%) dashed in only a single week over the quarter and nearly 3 out of 4 (73%) skipped 4 or more weeks across the quarter.



Many workers also multi-app. In fact, 81% of app-based workers **surveyed** in 2023 report that they have earned on two or more apps during a work period.

This is why benefits need to be portable — connected to the individual, rather than any individual platform. This way, Dashers can leave the app for weeks knowing they won't lose access to benefits. They can also move from platform to platform, taking their benefits with them without interruption or financial loss.

FACT 3

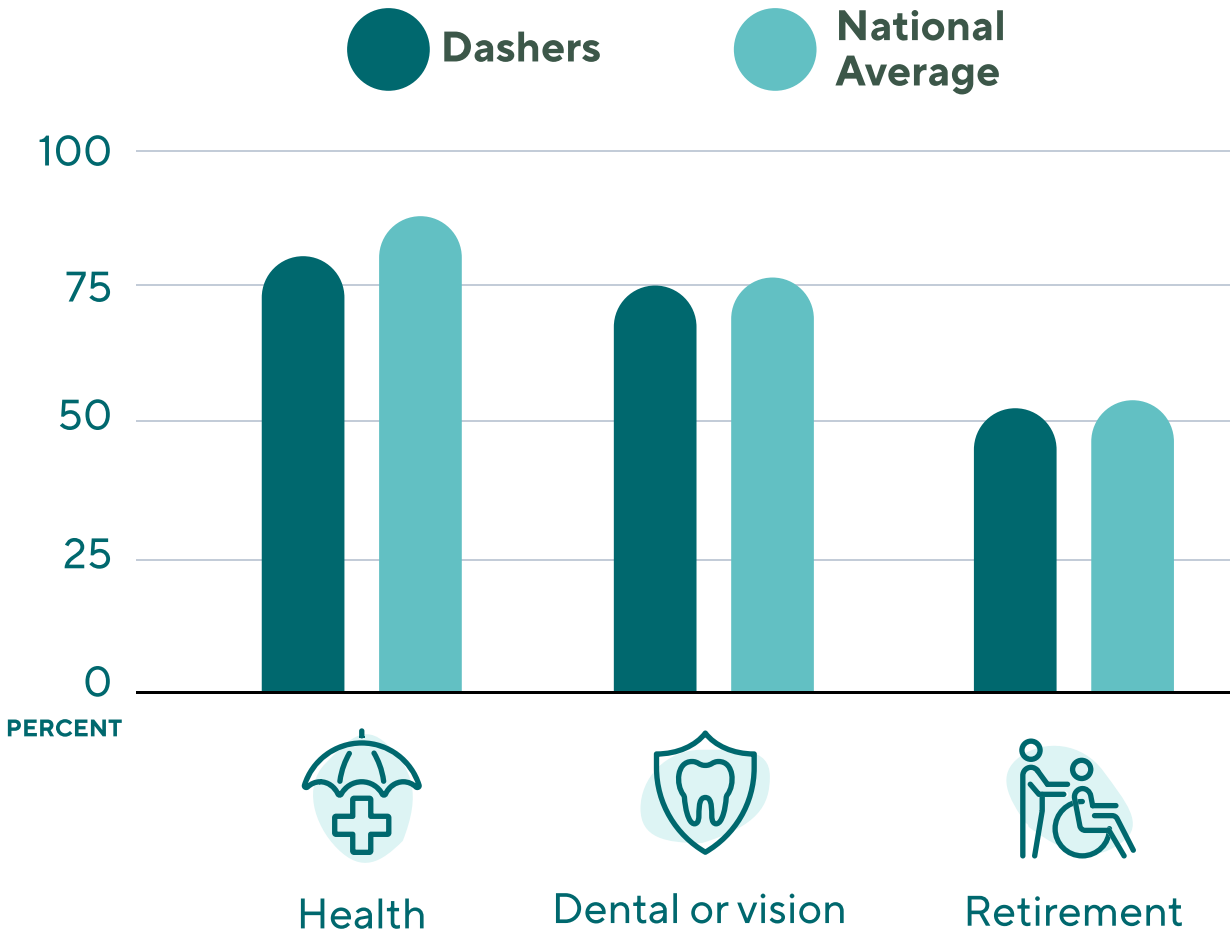
Most Dashers already have benefits

In large part because most Dashers already have other income or responsibilities, most Dashers say they already have access to benefits like health insurance, dental or vision insurance, or retirement plans.

In our 2023 survey, 82% of Dashers surveyed report that they already have health insurance, 76% already have dental or vision insurance, and 52% already have a retirement savings plan. In comparison, the national averages for the working age population are **89%**, **77%** (for dental insurance), and **54%**, respectively.

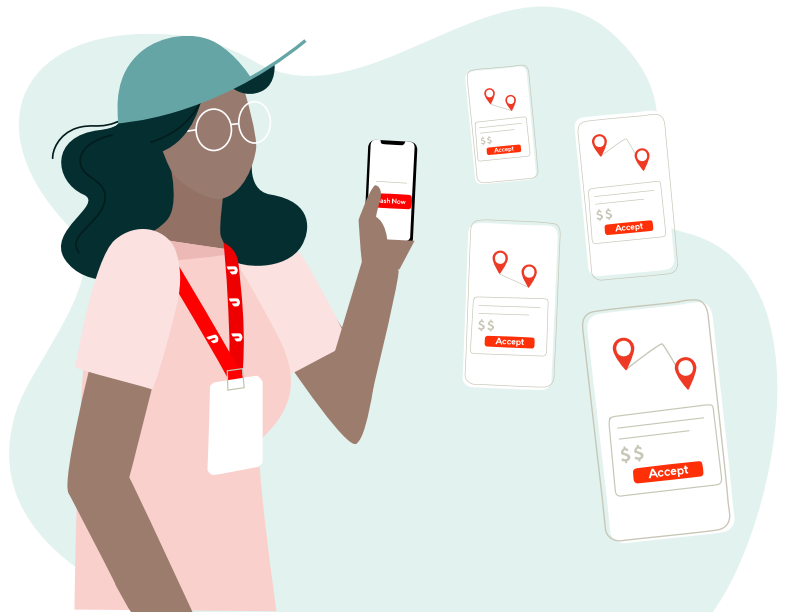


How does benefit coverage compare?



Where do Dashers get their coverage? A large share get it from another job or a family member’s job – 39% for health insurance, 40% for dental or vision, and 33% for retirement. The variety of sources reflects the diversity of Dashers themselves. For example, while on average 14% of Dashers receive health insurance through a family member, this jumps to 20% for stay-at-home parents or caregivers. And while 51% of Dashers who have full-time jobs get health insurance through that job, this is true of only 17% of those with part-time jobs.

The data clearly show that most Dashers already have access to the most common benefits. A benefits framework should be tailored to meet the needs of the small number of platform workers who spend more time on the platform and, therefore, may be missing out on these benefits from other sources.

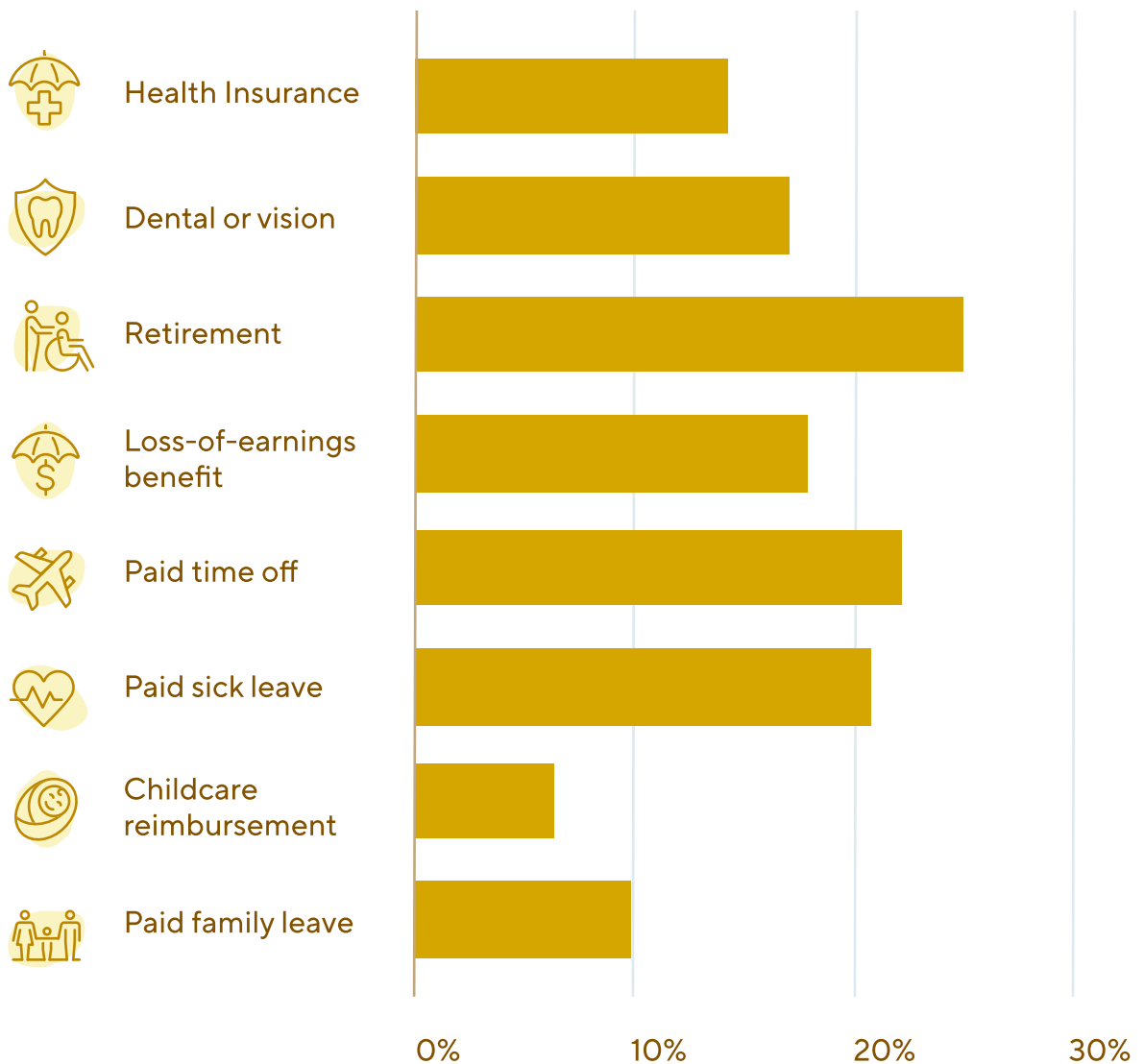


FACT 4

Not all Dashers want the same benefits

We then asked what benefits Dashers wanted to receive through DoorDash.¹ Responses varied. Among a set of benefits traditionally associated with employment, retirement was most popular, at 25%, followed by paid time off and paid sick leave at 22% and 21% respectively.

Benefits Dashers would like to receive through their delivery work



This is why benefits need to be flexible, allowing workers to choose the benefits they want or need, depending on their individual needs and circumstances.

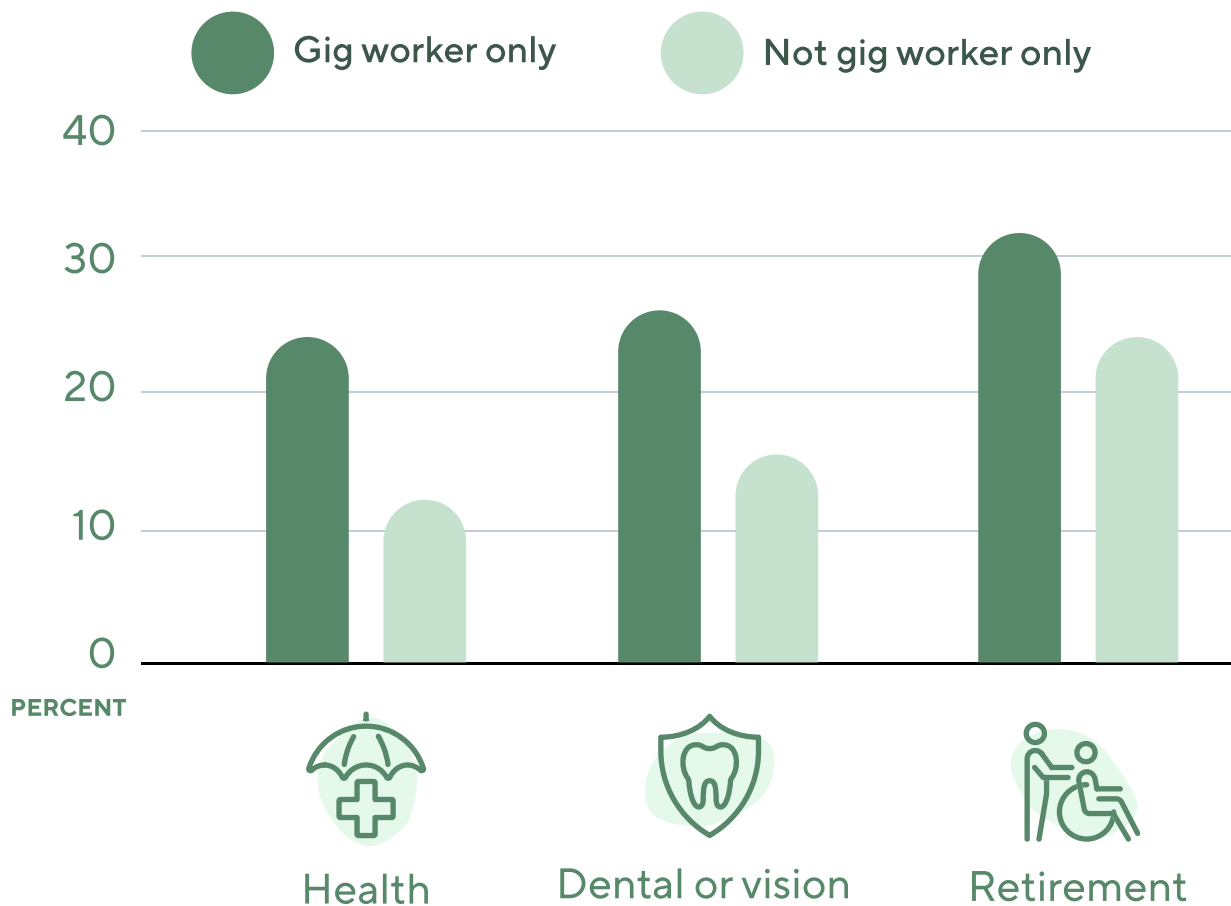
¹ Respondents could choose up to 5 of 13 benefits, or “none of these.” On average, respondents who did not choose “none of these” selected 3 options.

FACT 5

Those who spend more time dashing are more likely to want benefits

While most Dashers dash infrequently and have other responsibilities – and sources of benefits – a small group of Dashers (about 16%, according to our 2023 Dasher survey) earn through gig work only. Unsurprisingly, these Dashers are the ones most interested in benefits. This group of Dashers is twice as likely to say they want health insurance compared to those with other sources of income or responsibilities (24% versus 12%). This gap shrinks a little for dental or vision insurance (25% versus 15%) and again for retirement plans (31% versus 24%).

Those who only do gig work want benefits more



That's why benefits need to be **proportional** to how much someone chooses to work. The more earnings they have on a platform, the more benefit support the platform provides.

Portable Benefits as a Policy Solution

The data show that benefits for app-based workers need to be tailored, flexible, portable, and proportional. One policy framework meets these criteria: portable benefits.

Specifically, several states – Massachusetts (**H961**), Pennsylvania (**S967**), and Wisconsin (**S559**) – have introduced legislation that would allow or require platforms to establish portable benefit accounts for qualifying workers and make quarterly contributions to those accounts equal to a certain percentage of the worker's earnings. The worker could then withdraw funds for certain benefit needs like reimbursing the cost of healthcare insurance premiums, transferring funds to a retirement account, or covering sick leave. In addition to establishing the portable benefits framework, these bills would also ensure that platforms provide each worker with occupational accident insurance for on the job injuries as well as protections against discrimination or harassment.

- **This approach is *tailored*** such that platform contributions are channeled to workers who meet reasonable qualifying thresholds rather than all workers who may only be doing this work a couple of hours each week.
- **This approach is *flexible***. Workers have the control to choose the benefits they need most. For example, a worker who gets healthcare insurance through their employer or spouse may direct funds to retirement instead.
- **This approach is *portable***. The account would belong to the worker – regardless of where they choose to work. Even if they stopped using the platform, they would still have access to their benefits and could have earnings from multiple platforms or jobs directed to this account.
- **This approach is *proportional***. Because platform contributions are tied to a worker's earnings, contributions would increase the more a worker uses the platform. That means the workers who do this work the most – and could be missing access to these benefits through another source – will get the most support.

The time to act is now. Workers shouldn't have to face a false choice between structured employment with benefits or flexible work without. At DoorDash, we are committed to working with legislators and other organizations to implement a future of work that makes sense for all workers.

