

New York City Uber Driver Earnings and Expenses Study

Uber Technologies, Inc.

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Introduction

Purpose of the Memo

Uber Technologies, Inc. (Uber) engaged HR&A Advisors, Inc. (HR&A) to conduct an independent study on earnings and expenses of for-hire vehicle (FHV) drivers in New York City for the twelve-month study period between April 2023 and April 2024. The FHV industry in New York City is subject to various regulations, including a minimum earnings rate for drivers. To conduct the analysis, HR&A relied on publicly available data, third party data sources, and proprietary data provided from Uber to calculate a weighted average of earnings per-hour and costs per-mile of an average Uber operation in New York City. This memorandum presents HR&A's findings and methodologies for the New York City Uber Driver Earnings and Expense Study.

About HR&A

HR&A Advisors, Inc. (HR&A) is an employee-owned company advising public, private, non-profit, and philanthropic clients on how to increase opportunity and advance quality of life in cities. We believe in creating vital places, building more equitable and resilient communities, and improving people's lives. HR&A's Urban Tech Innovation Practice works with governments, technology companies, institutions, advocates, and developers to leverage the technology and innovation economy to increase economic competitiveness, improve quality of life, and broaden economic opportunity in cities.

Key Findings

Overview

In 2018, the City of New York became one of the first major cities to regulate the economics of for-hire vehicles (FHV), establishing a minimum pay rate for drivers and a moratorium on the number of licenses for FHV. Given the City's regulations, dense urban environment, and low car-ownership rate, New York City developed a unique FHV market than the rest of the United States. In most parts of the United States, most FHV drivers work part-time with their pre-existing vehicles, so only marginal costs are relevant to calculating the costs of FHV operations. However, that is not the case with FHV drivers in NYC where it is common for drivers to rent or purchase vehicles for the express purpose of driving for a FHV platform.

Thus, based on analysis of data from Uber and third-party data sources, HR&A developed estimates on the earnings per hour and expenses per mile for an average Uber driver in New York City for the twelve-month period between April 2023 and April 2024. As part of the analysis, HR&A weighted estimates of expenses per mile based on the share of drivers that own vs. rent their vehicle and use gasoline vs. battery electric vehicles. On average, an Uber driver in New York City earned **\$35.86 per hour** and spent **\$0.62 per mile** on associated expenses for driving a FHV.

Summary of Key Findings

Earnings	Per Hour
Trip Earnings per Hour	\$32.300
Tips and Bonus Earnings per Hour	\$3.557
Total Earnings per Hour	\$35.857

Expenses	Per Mile
Fixed Costs per Mile	\$0.323
Variable Costs per Mile	\$0.294
Total Expenses per Mile	\$0.616

For the purposes of this analysis, full-time drivers were defined as Uber drivers working at least 32 hours for 50 weeks of the year¹. An average full-time Uber driver earned \$72,839 annually and incurred average expenses totaling \$19,966 during the study period. Therefore, the average annual net pay² for a full-time Uber driver in New York City is estimated at **\$52,900**³.

¹ Drivers online for at least 1,600 hours in a year are considered full-time.
² In this context, net pay does not account for income tax but represents the pre-tax earnings for an average driver after accounting for necessary business expenses related to driving a FHV.
³ Rounded to the nearest 100. This figure does not include any deductions or other tax reimbursements that business expenses could benefit from. Additional detail on the calculation of net pay is available on p. 4.

Earnings

- **Trip Earnings** are earned by drivers for their trips. These can include some per-trip incentives. HR&A's study found that Uber drivers earned **\$32.30 per hour** in trip earnings.
- **Tips and Uber bonus pay.** Uber bonuses are incentives that are not tied to a single trip. HR&A's study found that Uber drivers earned **\$3.56 per hour** in tips and incentives.

Detailed Earnings Table - All

Earnings Category	Per Hour
Trip Earnings	\$32.300
Uber Bonus Pay	\$3.123
Tips	\$0.434
Total Earnings	\$35.857

Distribution of Hourly Earnings

Quartiles	Earnings per Hour
Lower Quartile	\$30.702
Median	\$36.009
Upper Quartile	\$41.169

Expenses

- **Fixed costs** are constant, regardless of the number of miles a driver travels over a month or year. For all drivers, fixed costs include the costs of Taxi and Limousine Commission (TLC) license and insurance⁴, as required by law for drivers to operate in the City of New York. Additionally, all drivers bear the incremental cost of an unlimited data plan necessary to run the Uber app while working.

Unlike in other geographies, it is common for Uber drivers in New York City to purchase their cars for the express purpose of driving for Uber. Therefore, for vehicle owners, fixed costs include assumed interest payments on vehicle financing costs⁵. For renters, fixed costs include rental payments (i.e., rental offer price plus associated taxes and fees). Insurance is included in the rental price.

To calculate fixed costs per mile, HR&A totaled fixed costs monthly (as applicable) and divided by an estimate of the average monthly miles traveled per driver. Drivers traveled an estimated 2,700 miles per month on average based on an analysis of vehicle inspection documents provided by Uber⁶. The per-mile

⁴ TLC Drivers License fees are available for review [online](#). See p. 5 for more detail on how costs were annualized in this study.

⁵ Given that this study accounts for depreciation of a vehicle which becomes an asset upon fulfillment of an auto loan term, HR&A does not account for principal payment in the assessment of financing costs. See p. 7 for more detail on this approach.

⁶ Rounded to nearest 10. Average monthly miles traveled per driver are calculated by averaging annual odometer readings from TLC inspections for a randomized sample set of 918 inspections. See p. 5 for more information.

costs for renters are calculated based on the rental cost divided by the same estimated 2,700 miles per month traveled by the average driver.

- **Variable costs** refer to incremental expenses incurred for each additional mile traveled by a driver. For vehicle owners, variable costs include expenses related to fuel/battery charging, depreciation⁷, and maintenance. The only variable cost category applicable to renters is fuel/battery charging, since the rental company assumes costs related to depreciation and maintenance.
- **Weighting for Expenses:** Distinct cost estimates are formulated based on weighting of vehicle ownership and vehicle type. HR&A analyzed expenses associated with driving battery electric vehicles compared to gasoline vehicles for variable costs, given the difference in pricing across the vehicle types for fuel/battery charging, depreciation, and maintenance. To develop a single cost estimate, weighted averages are calculated based on the relative shares of drivers within each category, based on Uber’s shared data and benchmarked against the TLC’s monthly aggregate reports.

Share of Drivers by Weighting Category

Weighting Category	Function	Share of Drivers
Share of Drivers Using a Rental Vehicle	Used to calculate a weighted average of fixed and variable costs, based on costs for owners vs. renters	25.6%
Share of Drivers Using a Battery Electric Vehicle (BEV)	Used to calculate a weighted average of variable costs, based on costs associated with BEVs vs. gasoline vehicles	3.7%

Detailed Cost Table – All

Cost Category	All	Owners	Renters
Fixed Costs per Mile	\$0.323	\$0.175	\$0.754
TLC License		\$0.005	\$0.005
TLC Insurance		\$0.136	-
Interest Payments on Vehicle Financing Costs		\$0.028	-
Rental Cost		-	\$0.743
Unlimited Data Plan (Incremental)		\$0.006	\$0.006
Variable Costs per Mile	\$0.294	\$0.348	\$0.136
Fuel/Battery Charging		\$0.136	\$0.136
Depreciation		\$0.110	-
Maintenance		\$0.101	-
Total Costs per Mile	\$0.616	\$0.522	\$0.890

⁷ Time-based depreciation could be considered a fixed cost. For simplicity we kept a single estimate of depreciation due to both time and distance.

Estimate of Annual Net Pay for Full-Time Drivers

As noted earlier, full-time drivers are defined in this study as driving at least 32 hours a week for 50 weeks of the year. For this cohort of Uber drivers, the estimates of average annual earnings and expenses are \$72,839 and \$19,966, respectively, during the study period. This results in an average annual net pay for full-time drivers of **\$52,900⁸**.

Average Net Pay Calculation

Category	Average Sum
Average annual earnings for full-time drivers	\$72,839
Average annual expenses for full-time drivers	(\$19,966)
Rounded Estimate of Annual Net Pay for Full-time Drivers	\$52,900

⁸ Rounded to the nearest 100.

Detailed Estimates, Sources, and Assumptions

Calculating Average Monthly Miles Traveled per Driver

To calculate fixed costs on a per mile basis, HR&A estimated the average monthly miles traveled per driver by ownership. Odometer data from TLC and NYS DMV approved inspection stations was used to determine an annualized mileage per driver based on vehicle ownership. These are required every four months after the initial TLC inspection. Based on the dataset Uber provided with 918 observations from January 2023 through August 2024, the average monthly miles traveled per driver in the study period was **2,700 miles**⁹.

Analyzing the Most Common Vehicles

Uber provided HR&A a list of the top 350 most common vehicles¹⁰ used by drivers between April 2023 and April 2024. This dataset comprised 88% of all mileage driven on Uber's platform in New York City during the study period. HR&A cross referenced the lists of vehicles to the U.S. Department of Energy's (DOE) vehicle [database](#) to obtain data on fuel economy and vehicle class. Given the highly urbanized environment of New York City, the DOE's estimate for city fuel economy is used exclusively instead of estimates for highway and combined city-highway driving. Since gasoline vehicles and BEVs rely on different forms of power, they are analyzed separately.

HR&A also categorized vehicles according to vehicle class and used data from AAA to assign maintenance costs, data from retailers to assign financing costs, and data from retailers and the Kelley Blue Book to assign depreciation costs for the owner subset of drivers. Once each vehicle is assigned fuel economy, financing, maintenance, and depreciation data, a weighted average is calculated using each vehicle's share of total trip mileage. For the purposes of calculating insurance quotes, HR&A selected the most common vehicle used by Uber drivers, which was a Toyota Camry 2017.

For BEVs, HR&A compiled data on the DOE's estimates of power (kWh) required for a full charge as well as total range. Similar to gasoline vehicles, HR&A pulled data on maintenance, depreciation, and financing costs for BEVs and calculated a weighted average using each vehicle's share of total trip mileage. The average power for a full charge was 74 kWh and average mileage on a full charge was 300 miles.

Fixed Costs – TLC License

In New York City, all for-hire vehicle drivers are required to have an active TLC License. The TLC license includes both one-time and recurring charges for exams, safety coursework, and trainings¹¹. The three-year license cost is annualized by dividing by three years and other assumed costs without renewal requirements to be annualized over five years. The annual costs associated with maintaining a TLC license is calculated to be \$176.98 per year, which is divided by the annual mileage driver by all drivers comes out to **\$0.005 per mile**.

⁹ Rounded to nearest 10 miles.

¹⁰ A vehicle is defined as a distinct combination of make, model, and year. For example, a Toyota Rav4 2021, Toyota Rav4 Hybrid 2021, and Toyota Rav4 2020 are 3 different vehicles.

¹¹ TLC Drivers License fees are available for review [online](#).

Annualized Costs of TLC Drivers License

Licensing Expense	Cost	Applicable Years	Annualized Cost
Three Year License	\$252.00	3	\$84.00
Drug Testing	\$34.00	3	\$6.80
Defensive Driving Course, administered every 3 years	\$24.00	3	\$8.33
Fingerprint and photos	\$90.25	5	\$18.05
24-hour class	\$250.00	5	\$50.00
Exam fee per attempt	\$49.99	5	\$9.80
Total Annual Costs			\$176.98
Annualized Costs per Mile			\$0.005

Fixed Costs – TLC Insurance

HR&A estimated the costs associated with purchasing TLC insurance to be **\$0.136 per mile**. TLC insurance quotes were obtained from brokers representing American Transit, Hereford, Affirmative Direct, and Maya – identified by Uber as among the largest providers of rideshare insurance to drivers in New York City. Brokers quoted the base cost of TLC insurance at \$4,000 a year, with additional cost increases due to age of driver, points on license, age of vehicle, and numerous other factors. HR&A increased the quoted cost by 10% to account for the additional charges described by brokers. Dividing by the average monthly mileage for drivers yielded estimates of **\$0.136 per mile** for all drivers.

HR&A contacted representatives from four TLC insurance providers:

- American Transit: A&Y Brokerage Co., Blackridge Insurance Co., Gladys & Sons Brokerage Inc.
- Hereford: Pearland Brokerage, Inc.
- Maya: Contacted directly
- Affirmative Direct: Contacted directly

Note that TLC insurance costs are not applicable to renters, given that insurance is included in the rental cost.

Fixed Costs – Unlimited Data

HR&A estimated incremental costs associated with upgrading to an unlimited data plan at **\$0.006 per mile**. It is assumed that a basic plan includes 2 GB of data, 2,500 minutes, and 500 messages while an upgraded plan includes unlimited data generally necessary for ridesharing. On average, a basic plan costs \$30.60 per month, while an unlimited data plan costs \$46.10 per month. The monthly increment in cost is calculated as an average of the difference between the basic and unlimited data plans for ten cellular data plan providers. The average price difference (\$15.50 per month) is multiplied by 12 months to calculate the annual costs.

Monthly Limited and Unlimited Data Plans

Source	Price for 1-line, Limited Data	Price for 1-line, Unlimited Data	Price Difference
Consumer Cellular	\$17.50	\$32.50	\$15.00
Boost Mobile	\$25.00	\$25.00	\$0.00
Metro by T-Mobile	\$40.00	\$50.00	\$10.00
Google Fi	\$17.50	\$40.00	\$22.50
Cricket Wireless	\$55.00	\$60.00	\$5.00
T-Mobile Prepaid	\$25.00	\$37.50	\$12.50
Verizon	\$35.00	\$50.00	\$15.00
AT&T Prepaid	\$25.00	\$55.00	\$30.00
AT&T	\$36.00	\$51.00	\$15.00
T-Mobile	\$30.00	\$60.00	\$30.00
Average	\$30.60	\$46.10	\$15.50
Annualized Cost per Mile			\$0.006

Fixed Costs – Car Purchase Costs

Only 45% of New York City households have access to a vehicle, an extraordinarily low figure compared to the national average of 92%¹². Given this limited vehicular ownership, most Uber drivers who own cars in New York City purchase vehicles to work on Uber’s platform. To account for this city-specific cost, HR&A used the most common vehicle from Uber’s dataset on the top 350 most commonly used vehicles to find average financing charges for each vehicle class. HR&A then sourced average financing costs for the top vehicle in each class using third-party sources and an assumed loan term. To avoid double counting the cost of ownership, HR&A only considered the interest paid on the principal as financing cost for owners and attributed additional ownership costs to depreciation of the vehicle, therefore accounting for the value of the vehicle as an asset to owners¹³. The weighted average of this figure, with the most common car’s financing costs taken as an average for each vehicle class, is estimated at **\$0.028 per mile** during the study period.

The cost of each vehicle was sourced from MSRP listed on company websites¹⁴. A typical car loan of 60 months¹⁵ with zero down and an interest rate of 7%¹⁶ were assumed to calculate monthly payment costs for the top vehicle in each vehicle class. Given Uber survey data from March 2023 indicating that 72.7% of NYC owners actively made

¹² The American Community Survey (ACS) 2018-2022 5-Year Estimates tracks [vehicular ownership](#) by occupied housing unit.

¹³ See p.10 for more detail on depreciation costs.

¹⁴ As detailed in the table on p.8, the most common cars were all [Toyota](#)- or [Tesla](#)-made vehicles.

¹⁵ See recent reports from [CapitalOne](#) and [Car and Driver](#) indicating an average car loan timeline between 5-7 years nationally.

¹⁶ See a recent report from [MarketWatch](#) on average interest rates in the study period.

payments on their car, HR&A discounted the monthly costs that were generated for each car from the above loan terms by 27.3%.

Weighting Category for Car Financing Costs

Weighting Category	Function	Share of Drivers
Share of Vehicle Owners Who Make Payments	Used to discount average of financing costs for drivers who own their cars	72.7%

Interest Payments for Financing Cost per Vehicle Class

Vehicle Class	Most Common Vehicle	Discounted Annual Interest Paid	Cost per Mile
Small Sedan	Toyota Corolla 2021	\$574.68	\$0.017
Medium Sedan	Toyota Camry 2017	\$630.70	\$0.019
Subcompact SUV	Toyota Highlander 2022	\$980.26	\$0.030
Compact SUV	Toyota Sienna 2020	\$1,033.20	\$0.031
Medium SUV	Toyota Highlander 2018	\$1,096.06	\$0.033
Hybrid Vehicle	Toyota Sienna Hybrid 2022	\$1,109.29	\$0.034
Electric Vehicle	Tesla Model Y 2023	\$1,274.86	\$0.039
Weighted Average		\$893.02	\$0.027

Fixed Costs – Rental Price

Renters, who comprise about 25.6% of all drivers in the study period, pay a weekly fixed price to rent a vehicle regardless of how many miles they drive. HR&A estimated rental costs at **\$0.743 per mile** during the study period. Unlike owners, drivers who rent through Uber’s suppliers tend to acquire and use their vehicles for the primary purpose of doing app-based rideshare work.

Uber provided weekly base prices offered to Uber drivers by Buggy, Tower, American Lease, Fast Track Mobility, Sally, and Revel in July of 2024. The range of base offers spanned from \$281 to \$650 per week depending on the vehicle description, with taxes and fees likewise varying from \$46 to \$65 per week. HR&A cross walked the vehicle description from the rental offers with the vehicle class from Uber’s most top 350 most commonly used vehicles dataset to calculate a weighted average of the weekly rental offers relative to the active Uber fleet citywide.

Dividing by the average monthly mileage for the respective groups of renters yielded estimates of **\$0.743 per mile**. Despite the high cost compared to owner car financing costs, renters comprise a minority of total drivers, so the overall impact on aggregate cost estimate is minimal.

Weekly Rental Price Offers

Vehicle Class	Estimate Vehicle Share	Average Offer (excl. taxes and fees)	Average Taxes & Fees	Estimate Cost per Week
Midsize Cars	84%	\$419	\$50	\$469
Minivan - 4WD	13%	\$524	\$59	\$583
Hybrid	2%	\$350	\$50	\$400
Compact Cars	2%	\$348	\$46	\$394
Weighted Average		\$430	\$51	\$481
Annualized Cost per Mile				\$0.743

Variable Costs – Fuel/Battery Charging

HR&A estimated fuel/battery charging costs at **\$0.136 per mile** based on a weighted average of gasoline and electricity costs from the 12 months of the study period (April 2023 to April 2024). HR&A used data reported by the New York State Research and Development Authority (NYSERDA) on the New York City Metropolitan Area to calculate the average gas price to be **\$3.41/gallon**. For gasoline vehicles, HR&A divided the weighted average MPG for the most commonly used vehicles by the average gas price per gallon.

For BEVs, HR&A calculated the electricity cost per full battery charge, based on the weighted average kWh needed for a full charge¹⁷ and the electricity cost per kWh. HR&A reviewed the cost of electricity per kWh at New York City Department of Transportation (DOT) public charging stations offering DCFC (Level 3) charging¹⁸, at DOT public charging stations offering curbside (Level 2) charging¹⁹, at Tesla superchargers²⁰, and at Revel charging stations citywide²¹ to arrive at an estimated charging rate of **\$0.40 per kWh** during the study period. HR&A then divided the electricity cost per full charge by the weighted average miles per full charge (range) to calculate battery charging costs per mile.

HR&A calculated the share of Uber drivers using BEVs in New York City from Uber’s dataset on driver activity to generate a weighted average of fuel/battery charging costs per mile. HR&A assumed the same distribution of vehicles for owners and renters.

Fuel/Charging Costs per Mile

Cost Category	Share of Vehicles	Cost of Energy per Mile
Gasoline Vehicles	96.3%	\$0.137
BEVs	3.7%	\$0.103
Total Costs per Mile	100%	\$0.136

¹⁷ See p. 5 for more information.

¹⁸ See the DOT’s [website](#) for rates.

¹⁹ See DOT [promotional material](#) for rates.

²⁰ Tesla does not publish rates online. Charging rates were collected through conversations with supercharger users.

²¹ See Revel’s [website](#) for rates.

Variable Costs –Depreciation

To avoid double counting the cost of ownership, HR&A only considered the interest paid on the principal as a financing cost for owners and attributed additional ownership costs to depreciation of the vehicle²². Depreciation was, therefore, calculated at an average of **\$0.110 per mile** during the study period.

Depreciation was calculated first by calculating the loss in value from a standard MSRP²³ to an average reasonable value for the most commonly used car in each vehicle class from Uber’s dataset. Kelley Blue Book values²⁴ were used to determine a reasonable value for each top vehicle and an average was calculated to account for the variety of conditions that vehicles can be in after five years of use driving for-hire in New York City. This figure was divided by the annual mileage driven by Uber drivers for a five-year period. The weighted average of this figure, with the most common car’s average depreciation costs taken as an average for each vehicle class, in an average of **\$0.110 per mile** during the study period.

Depreciation Cost per Vehicle Class

Vehicle Class	Most Common Vehicle	Est. MSRP at Purchase	Est. Price at 5 Yrs	Depreciation Cost per Mile
Small Sedan	Toyota Corolla 2021	\$21,020.00	\$10,285.67	\$0.065
Medium Sedan	Toyota Camry 2017	\$23,070.00	\$8,846.33	\$0.086
Subcompact SUV	Toyota Highlander 2022	\$35,855.00	\$19,279.67	\$0.101
Compact SUV	Toyota Sienna 2020	\$37,790.00	\$16,661.67	\$0.128
Medium SUV	Toyota Highlander 2018	\$40,090.00	\$15,657.33	\$0.149
Hybrid Vehicle	Toyota Sienna Hybrid 2022	\$40,575.00	\$20,392.67	\$0.123
Electric Vehicle	Tesla Model Y 2023	\$46,630.00	\$20,293.67	\$0.160
Weighted Average				\$0.110

²² See p.7 for more detail on car financing approach.

²³ MSRP values were sourced from the websites of [Toyota](#) and [Tesla](#).

²⁴ The [Kelley Blue Book](#) is an industry-standard source for estimating car value.

Variable Costs – Maintenance

HR&A estimated maintenance costs at **\$0.101 per mile** based on data from AAA and Uber. Based on a cross-walk of the most commonly used cars by AAA-designated vehicle classes, HR&A calculated average costs related to upkeep based on the share of each vehicle class used by Uber drivers in the study period. Maintenance costs are only applicable to owners, since such costs are assumed in the rental price.

Maintenance Cost per Vehicle Class

Vehicle Class	Cost per Mile
Small Sedan	\$0.091
Medium Sedan	\$0.109
Subcompact SUV	\$0.095
Compact SUV	\$0.104
Medium SUV	\$0.106
Hybrid Vehicle	\$0.091
Electric Vehicle	\$0.081
Weighted Average	\$0.101